DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
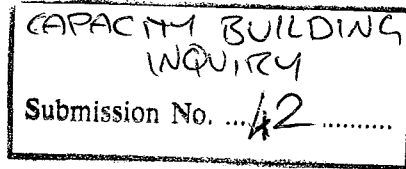
**Office of Aboriginal
and Torres Strait
Islander Affairs**

Mr Barry Wakelin MP
Chair
House of Representatives Standing Committee on Aboriginal and Torres Strait Islander
    Affairs
Parliament House
Canberra ACT 2600

Dear Mr Wakelin

I enclose a copy of a submission from the Department of Immigration and Multicultural and Indigenous Affairs to the Standing Committee's current inquiry into capacity building in Indigenous communities. The submission has been prepared within the Office of Aboriginal and Torres Strait Islander Affairs.

The submission highlights the importance the Commonwealth places on capacity building and the initiatives it has undertaken to support the building of capacity in Indigenous communities. It also highlights some of the existing successes of the agreement making approach, and the potential for further developments in agreement making to increase the real influence and control that Indigenous people are able to exercise in key areas of their lives. It also considers the potential benefits from drawing third parties, for example aid and development organisations, into partnerships between governments and communities.

The Department would be pleased to provide further detail on any matters discussed in the submission. I trust the Committee will find it useful in its considerations.

Yours sincerely

John van Beurden
A/g Executive Coordinator
27 September 2002

DIMIA

Benjamin Offices, Chan Street Belconnen ACT 2617
PO Box 25 Belconnen ACT 2616 • Telephone (02) 6264 4644 • Facsimile (02) 6264 1517

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Office of Aboriginal and Torres Strait Islander Affairs

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS
INQUIRY INTO CAPACITY BUILDING IN INDIGENOUS COMMUNITIES

SUBMISSION BY THE DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

1.   Background

The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) was created following the Administrative Arrangements Order of 26 November 2001. Under this order, the former Department of Immigration and Multicultural Affairs was amalgamated with the former Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs (DORATSIA) to form the new Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). The former DORATSIA became the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) within DIMIA.

Among the key outcomes which the Department seeks to achieve are sound and well-coordinated policies, programmes and decision making processes in relation to Indigenous affairs and reconciliation. Activities under this outcome include assisting the Minister in his parliamentary duties, developing and evaluating policy, and promoting better outcomes for Indigenous people from government programmes. OATSIA provides advice on major and emerging issues in relation to the social and economic position of Indigenous people in Australia, land and resource matters, reconciliation, litigation involving the Commonwealth, and international Indigenous affairs matters. It works in partnership with other Commonwealth agencies, including ATSIC, and other levels of government, to implement the Government's Indigenous policy agenda.

The Commonwealth has been providing national leadership on community capacity building. Significant momentum for activity in this area was created by the Indigenous Roundtable on Community Capacity Building convened by the Federal Government in October 2000. This flowed through to the Council of Australian Governments' (COAG) adoption, in November 2000, of a reconciliation framework that contains a strong emphasis on capacity building, and which was further strengthened by decisions taken at the April 2002 meeting of COAG. In addition, a

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number of Commonwealth Departments, which are making submissions to the HORSCATSIA inquiry, are engaged in significant capacity building activity.

2. Defining capacity building

The process of building capacity is increasingly being recognised as an integral aspect of what governments should be engaged in when they interact with Indigenous communities. The presence of adequate capacity is a necessary prerequisite to achieving a functional community that owns its own problems, is actively engaged in finding solutions, and therefore, has a positive view of its potential and envisions a better future for its members. There are a number of dimensions to community capacity – individual, familial, organisational and governmental – that all require focus if a community's aspirations are to be achieved. Broadly speaking, one of the main objectives of building capacity is to develop a community's self-reliance and ability to manage its own affairs in a manner that sits comfortably within its individual cultural context.

A capacity building forum staged in late August 2002 by the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA) defined capacity as

> *The knowledge, ability and commitment for individuals, families, groups and organisations to:*
>
> 1) *Maintain their cultural identity;*
> 2) *Interact confidently and effectively with the dominant Australian society;*
> 3) *Identify goals;*
> 4) *Determine strategies to achieve their goals;*
> 5) *Work effectively with government and the private sector to access the resources necessary to implement those strategies.*

The United Nations has defined "capacity development" as:

> *The process by which individuals, groups, organisations, institutions and societies increase their abilities to perform core functions, solve problems, define and achieve objectives, and to understand and deal with their development needs in a broad context and in a sustainable manner.*

Dr Rolf Gerritsen, an Australian academic and former consultant, has identified two main approaches to capacity building, based respectively in public management and community development theories. Dr Gerritsen states:

> *Orthodox public management analysts posit that capacity building in Aboriginal communities relates to the need to make these communities more capable of benefiting from governmental programs. Leadership training and managerial capacity are the inevitable concomitants of this emphasis. Community development theorists tend to interpret community capacity building as an activity that seeks to empower communities and to promote participation in policy making and implementation. This leads to an accent upon governance, consultation and community decision making.*

Gerritsen has argued that there is a possible synthesis between these different approaches to building capacity in an Indigenous context, but that a number of adaptations will be necessary to achieve this. It will, he argues, be necessary both to

develop leadership skills and managerial and technical competencies on the part of Indigenous people, and to increase the level of empowerment, self-management, and participation in Indigenous communities. This latter aspect sees the whole community, and the <u>individuals</u> in it, rather than a limited number of "leaders", as being the focus for building capacity.

Gerritsen also stresses the importance of government agencies understanding the way Indigenous communities and their governance structures actually operate, as a key aspect of developing government capacity to achieve meaningful change, in partnership with Indigenous communities.

The value of Gerritsen's model, out of many which have sought to describe community capacity building, is that it recognises and brings together many of the different levels on which capacity needs to be built. He identifies the need to build government capacity in three main arenas: agency organisation, program design, and program implementation. Similarly, for the community, he identifies internal community endowments (including physical capital, but also social capital), internal community dynamics, including decision making processes, and relationships with government, as areas which would need to be strengthened if capacity is to be increased. Within each of these key areas, Gerritsen has identified a number of individual components that need to be built up as part of the building of overall capacity in communities. These are set out in <u>Attachment E</u>.

3. Individual capacity

The capacity of a community, in simple terms, is the collective capacity of the individuals who make it up. This is in turn heavily dependent on the individual's sense of where he or she fits into the community, and the norms of reciprocity with other members of that community. Indigenous communities have always functioned both as supports for the individual in the development of his or her capacity, and as the source of appropriate norms and expectations, both of individual conduct and of the way individuals fulfil their responsibilities towards others. Communities also provide synergy for the skills of individuals to be brought together and harnessed to achieve results which even skilled individuals may not achieve in isolation. This role for the community as a source of social capital contributing towards individual capacity, and keeping individual demands in balance with those of the community as a whole, is an essential foundation of effective community functioning.

Therefore, in examining community capacity, it is essential to consider how individuals are supported to be able members of their community (and society more generally). While such a broad examination necessarily draws in an extensive range of government services, it also appropriately reflects the important role they play in developing individuals. Capacity building is a normal part of human development, which in a functional community begins in the home and extends into school and wider community activity. Thus, it is important that the role of individual capacity, and ways of enhancing it to the ultimate benefit of both the individual and the community, be recognised. In particular, engagement in the life, including the economic life, of the broader community requires that individual skills and capacities be developed, within a community context, to support such engagement.

Over the past six years, the Commonwealth has placed major emphasis on initiatives to improve individual capacity, particularly in the areas of education, training and employment. For example:

- the proportion of Indigenous children who stay on at school through to Year 12 has risen from 29 per cent in 1996 to 36 per cent in 2001;
- the number of Indigenous people undertaking post-secondary vocational and educational training virtually doubled from 26,138 in 1995 to 51,700 in 2000;
- there were 7,350 Indigenous higher education students in 2000 compared to 1,933 in 1987;
- since 1 July 1999, over 5,200 Indigenous people have been placed into jobs through the Indigenous Employment Policy's Wage Assistance programme; and over 9,800 Indigenous jobseekers have been assisted under the Policy's Structured Training and Employment Projects; and
- the number of Indigenous people commencing traineeships and apprenticeships has increased significantly from around 800 in 1994 to approximately 5,950 in 2001.

It is a truism that employment presupposes that an adequate level of education has been achieved. Some progress has been made in increasing the education levels of Indigenous Australians over the past 30 years. Nevertheless, Aboriginal and Torres Strait Islander people still experience significant educational disadvantage. For example, Indigenous people lag well behind the wider population in the foundation skills of individual capacity, literacy and numeracy. In 1999, 66 per cent of Indigenous students achieved the year 3 reading benchmark, compared to 87 per cent of all students. Also, while as noted above the proportion of Indigenous students who commence high school and continue through to year 12 has been trending upwards, the Indigenous student retention rate in 2000 of 36 per cent compared poorly to the proportion of all students (74 per cent) who stayed at school through to year 12. Similarly, while there has been a strong positive trend in higher education enrolments over the past decade, Indigenous students are still under-represented in the higher education system and course completion rates are lower. In addition, only 11 per cent of Indigenous students take the "normal" pathway to higher education, ie, through the school system, compared with 45 per cent of all higher education students.

Vocational education and training (VET) is one area of significant achievement in terms of broad Indigenous outcomes. As previously indicated, enrolments virtually doubled since 1995 to reach 51,700 in 2000. The current challenges in the VET sector is to move Indigenous students on to higher levels of qualification (AQF 3/4 rather than AQF1/2) and to graduate more of them into employment.

Despite the important advances that have been made in recent years, this general picture of educational disadvantage underlines one of the major ongoing challenges for the education system – equipping Indigenous students with the individual capacity to succeed. The foundations for educational success – and success in life – are laid early in childhood. Therefore the early childhood environment, that is, home and community life, are critical determinants of future performance. Children who are living in grossly dysfunctional families (for example, where normal development is disrupted by the influence of alcohol and violence) have the educational dice loaded

against them from the outset. They are unlikely to attend school regularly and school attendance is a critical factor in achieving satisfactory performance. This highlights the need for ongoing emphasis to be placed on school attendance as being of fundamental importance in building individual capacity. And given the critical importance of the home environment to effective education, it underlines the criticality of addressing alcohol and violence, and other negative factors in the home (eg, poor environmental health) as key inhibitors to the development of sound individual capacity – characteristics such as resilience, self-esteem, social skills, and problem solving ability.

The National Indigenous English Literacy and Numeracy Strategy is a foundation capacity building activity supported strongly by the Commonwealth. The Strategy, launched by the Prime Minister in March 2000 has six elements:

- lifting school attendance rates of Indigenous students to national levels;
- addressing hearing and other barriers to learning;
- providing preschool opportunities;
- training and retaining good teachers in areas with significant Indigenous student populations;
- ensuring teachers use the most effective, culturally appropriate teaching methods; and
- increasing accountability and improving performance measurement techniques for schools and teachers.

In terms of building the individual capacity of adults (and older youth), the Commonwealth provides a range of support programs under the social welfare system that work to this end under the philosophy of mutual obligation. These recognise the barriers that may be impeding people from reaching their potential for social and economic participation. The Personal Support Programme assists those people who have severe or multiple barriers to participation, helping people to stabilise their lives and become more involved with the community over time. Personal Advisers help Indigenous people who claim income support to identify any obstacles to community and workforce engagement, and help them to gain access to relevant services such as child care, housing assistance, and relationship counselling. A literacy and numeracy training supplement is available to people on income support to help and encourage them while they undertake literacy and numeracy training.

Government engagement with Indigenous people, as manifest by funding and governance arrangements, has generally occurred at the community rather than the individual level. Often, this has resulted in a focus on the needs of community organisations rather than those of the individuals who are meant to benefit from programmes and services. Greater emphasis needs to be placed in Indigenous policy on supporting individuals to take responsibility for meeting their own needs. In the past, government has viewed the "community" as being represented by organisations which may or may not themselves be representative, as the optimal point at which resources and policies need to be directed, hoping that benefits and behavioural change may "trickle down" to individuals. Given the fact that this model, current since at least the 1970s, left many individuals and families unsupported in

their efforts to achieve better outcomes, the Government has changed the approach to one with a far stronger focus on encouraging and supporting individuals to:

- become self-reliant;
- take responsibility for themselves and their families; and
- contribute constructively to their communities and the wider society.

These principles need to be applied flexibly according to the context:

- Thus, a CDEP in an urban environment with labour market options should have the skills and links with the wider community to enable it to support the achievement of good employment outcomes for participants, as well as the capacity to provide necessary social and cultural support for each participant.

- Whereas, in a remote community with limited employment opportunities, a CDEP should be able to support individuals in developing their capacity to contribute to their community.

4. What is a "community"?

Defining and identifying what constitutes a "community" can be a complex and even fraught task. In many instances, the concept of "community" sits quite uneasily. Anthropologists have identified the term community in specialist senses as referring to traditional, pre-European contact communities. In these terms, "community" referred to a group of people who shared a common economic and geographically based relationship with the land. Such communities were in turn generally made up of groups with different ritual relationships to the land, based on kinship affiliations. While many "traditional" communities remain today, 200 years of European settlement has resulted in a much different demography for Indigenous "communities" and has had significant impact even on those communities still regarded as "traditional".

Many "communities", though made up of Indigenous people living in the one place, are essentially artificial constructs, comprised of disparate and unrelated peoples. They owe their existence to a number of possible causes. These include economic conflicts between Indigenous and non-Indigenous people, which resulted in the conversion of land to pastoral, mining, or other non-traditional uses, for profit, and the restriction or denial of access to those lands to traditional owners. Sometimes new communities grew up as a result of the exodus of a number of different groups from their land and the subsequent development of new groups of people who began to occupy a particular area, away from their traditional lands, either permanently or on a transient basis. In many cases the new settlers on Aboriginal lands have been more numerous than the traditional owners, so that Western democratic models of governance produced anomalous outcomes in Aboriginal terms.

In other instances, there were deliberate decisions on the part of governments, often put into effect through the churches, to relocate Indigenous people at particular places (particularly to missions). Though there were many hardships for the people concerned, subsequent voluntary movement to missions and stations did occur, particularly where people wished to be with family members. In some cases, it was

considered desirable that people from very disparate small communities be co-located, rather than governments or missions being called upon to support a large number of discrete geographical communities. By way of example:

- In 1934, people were "collected" from throughout Cape York and placed on the mission at Lockhart River which became a centre for sandalwood trade. In 1947, after the departure of mission staff during World War II, the mission was re-established, and a number of different groups were required to combine into a single community. In 1964, the church handed over the mission to the Queensland Government, which attempted to relocate the people to Bamaga. This was resisted, but in 1971 people were required to move away from their traditional areas, which caused much friction.

- Located 65km north of Townsville in Queensland, Palm Island was established in 1918 to replace the Hull River Mission near Tully which had been extensively damaged by a cyclone. Over two decades, 1630 Aboriginal and Torres Strait Islander people from many different groups throughout Australia were sent there.

- Cherbourg, the oldest and largest Aboriginal community in Queensland, is based at a relocated site established first at Durundur, then moved to Barambah, by the Church of England originally as a mission. It is comprised of at least 40 different kinship groups.

Such histories are often marked by deeply felt and destructive conflicts between traditional owners of the land, and others with historical associations, often now lengthy, who identify as "historical" peoples of the area. Mr Bob Beadman, until his recent retirement a senior official in the Northern Territory government and prior to that a Senior Executive in ATSIC and, previously, the (Commonwealth) Department of Aboriginal Affairs, has stated that:

> *We have ignored traditional land holding arrangements in setting up remote townships, encouraged Aboriginal migration to those towns built on someone else's land, constrained those townships from benefiting from business migration, outlawed the mortgaging of Aboriginal land in seeking to raise commercial loans, made it virtually impossible for enterprising individuals to rise above the pack, caused deep resentment amongst traditional owners, and then expected Community Government Councils to correct all of the above while taking on a range of responsibility that exceeds that of the Brisbane City Council.*

The native title process has contributed to an increased capacity of Indigenous communities by ensuring those communities have a seat at the negotiating table, particularly through agreement making. The 2001-02 Budget provided additional funds to the native title system over four years including an additional $17.4m for ATSIC of which $10m is allocated for a native title representative body (NTRB) capacity building program. The funds have been used to increase the quality of professional services provided by NTRBs to native title claimants. Initiatives have included information technology improvements, the appointment of change

managers for some NTRBs, technical training, the development of a native title services guide and the creation of an Internet resource site.

The native title process recognises rights in relation to land and waters based on traditional law and custom and on-going connection. These rights are very different from the circumstances of historical residency and when the two overlap, the potential arises for already existing tensions to be highlighted. For example, a native title consent determination in Hope Vale on Cape York has not resolved ongoing difficulties between traditional owners and Aboriginal people with an historical association to the area.

Urban centres often attract people from a number of geographical areas on the basis of education and employment opportunities. Sometimes this results in ongoing conflicts between groups that were previously located separately. This can vitiate attempts within the community to marshal its collective capacity for worthwhile purposes, for example to improve access to mainstream services, or to develop culturally appropriate services available to all community members.

Paradoxically, the development of capacity can also be impeded by the isolation that some Indigenous people can experience in large cities, where there are few people who can share their experiences as a minority within the dominant culture, and it may be difficult to build a critical mass to achieve, for instance, better access to culturally relevant mainstream services.

The experience of being in a minority may be a particular issue even within the Indigenous community. Torres Strait Islanders as are an Indigenous people with a distinct culture and identity. They originate from the mass of islands in the sea between Cape York and Papua New Guinea. However, most people who identify as Torres Strait Islanders do not live in the Torres Strait. The 2001 Census recorded that 7,349 Torres Strait Islanders lived in the ATSIC Torres Strait Area region, out of a total of 48,091 people who identified themselves as Torres Strait Islanders. Torres Strait Islanders outside the Strait are often a numerical minority within the Indigenous community, and may have difficulty in accessing services which are culturally appropriate.

These examples highlight the diversity and complexity of Indigenous "communities" and underline the reality that building community capacity will have dimensions unique to each community. The loss of norms of reciprocal contribution to the community, which had traditionally been an essential part of the economic and social organisation of Indigenous societies, can be seen as both a cause and a symptom of loss of individual and community capacity. Therefore, any action to address community capacity will need to reflect an appreciation of that community's historical circumstances as a basis for addressing the contemporary challenges of community dysfunction. The question of internal community relationships, leadership and governance are covered later in this submission and must be recognised as fundamental to achieving sustainable improvements in community capacity for self-management and self-reliance.

5. Entrenched disadvantage

Compared to other Australians, Indigenous people living in rural areas, towns and cities experience significant disadvantage across a wide range of socioeconomic indicators, including shorter life expectancy, lower educational achievement, much higher unemployment, more preventable ill-health, inadequate housing, over-representation in the criminal justice system, and higher rates of alcohol related violence. All over Australia, Indigenous rates of income support for those of workforce age are higher than those for non-Indigenous people.

While Indigenous Australians overall experience levels of social and economic disadvantage in comparison with non-Indigenous Australians, it is also the case that Indigenous people in the more rural and remote areas of Australia experience greater levels of disadvantage than Indigenous people in urban and regional centres. The anthropologist Peter Sutton has commented that the suffering of Indigenous people *"is often statistically greater in the outback ghettoes than elsewhere...there, its visibility, concentration and engulfing nature seem to be most apparent."* It is also in these areas where breakdown in community governance and low capacity are most evident.

The breakdown of family and community structures is a consequence of this disadvantage, which has a complex web of underlying causes related to historical factors such as dispossession and the separation of families, discrimination, and contemporary factors such as welfare dependency and substance abuse. These negative influences combine in a powerful mix that erodes personal self-esteem and community pride and disempowers communities, causing them to blame others, including in some cases out-of-group sorcerers, for their troubles, thereby undermining their capacity to take charge of their own futures.

6. Dysfunction in Indigenous communities

A number of Indigenous leaders have highlighted the very serious levels of dysfunction present in many Indigenous communities today. For example, Mr John Ah Kit, the Northern Territory Minister Assisting the Chief Minister on Indigenous Affairs, stated in March this year that:

> *Aboriginal Territorians are facing a stark crisis....Many, many Aboriginal people acknowledge that the rot lies within their own communities. The simple fact is that it is almost impossible to find a functional Aboriginal community anywhere in the Northern Territory...the dysfunction...is endemic through virtually all our communities, both in towns and the bush. We cannot pretend that a community is functional when half the kids don't go to school because they have been up most of the night coping with drunken parents – or because they themselves have been up all night sniffing petrol. We cannot imagine that a community is functional when less than one in ten people can read or write, or where people are too ill through chronic disease or substance abuse to hold on to a job – let alone receive training.*

Former Deaths in Custody Royal Commissioner Hal Wootten last year suggested in a speech to a Sydney forum convened to assess the impact of the Royal Commission, that the level of dysfunction in communities is so high that there is a critical need for Indigenous communities to focus on the drug and alcohol abuse that characterises many of them, implement zero tolerance policies towards family violence, and stand up to those members of the community who abuse the claims of kin and culture. He cited a feeling in communities that people have lost control of their lives – lost it to funding authorities, to bureaucratic processes, to those who can capture and manipulate organisations, to "experts", to alcohol, to the drunken and violent minority, and to the "*paralysis that comes when one cannot see a future worth working for*".

Wootten suggests that this loss of control is the antithesis of true self-determination. True self-determination, in his view is:

> *a process that takes place whenever a person, family or community makes a decision about their own affairs, instead of having it made for them by a superintendent or missionary or anyone else. It may be as simple as accepting or refusing a drink; as insisting a child go to school; as growing some fruit and vegetables; as weaning a child off soft drinks and fast food; as voting a corrupt office-bearer out of office; or as mobilising a community to condemn and if necessary charge those who disrupt its life, drink its income, or molest its women and children.*

Welfare dependency, or "sit down money" as it is widely known, contributes significantly to the loss of individual and community capacity. By providing money with nothing being expected in return, prolonged income support may serve to remove the individual's sense of being connected to their own community. Furthermore, it acts to eliminate any incentives individuals may have had for education and economic activities to support themselves and their families, and to contribute more broadly to their communities through social participation. This is not to ignore the important role played by the Community Development Employment Projects (CDEP) scheme in many communities, both in supporting individuals to make social, economic and cultural contributions to their communities, and in preparing jobseekers for employment. However, there are fundamental issues which need further exploration including the application of the activity test to income support in remote areas, and the inconsistent application of the "no work no pay" rules of CDEP. On the first of these two issues, the Government has introduced the Community Participation Agreements programme, managed by ATSIC, to help remote communities restore a culture of making a contribution to their communities in exchange for income support.

The impact of a wide range of injurious substances, including alcohol, tobacco, opium, and, in more recent years, other illicit substances (or those prone to inappropriate use such as petrol and other inhalants) substantially limits individual and community capacity. Substance abuse epidemics have defied and then defeated forms of social control (both internal to the community, and externally imposed, for example by the churches).

Thus, although on average Indigenous Australians are *less* likely to drink alcohol than other Australians, even non-drinkers are profoundly and adversely affected by the invasive and pervasive effects of heavy drinking in Indigenous communities. Alcohol is directly linked to much of the violence, injury, imprisonment, job instability, poverty, malnutrition, and premature death of Indigenous Australians. In many communities, at least one and often more members of each family has been the victim of alcohol-related violence. Many victims are hesitant to take action which will result in the perpetrators being subject to the criminal justice system, and are looking for other solutions, which are sometimes but not always available. One such response, strongly supported by the CDEP scheme, is the adoption of preventative/early intervention strategies under the banner of "night patrols".

The abuse of traditional kinship obligations also places great pressure on people, including non-drinkers, to surrender income support and family payments to support others' drinking and gambling habits, further adding to levels of child neglect and ill-treatment, and to violence (including sexual assaults, child rape and homicides). The effect of alcohol abuse is also experienced by non-drinkers through the deleterious effects on family budgets of the priority given by heavy drinkers to the purchase of alcohol. The Report of the Aboriginal and Torres Strait Islander Women's Task Force on Violence chaired by Associate Professor Boni Robertson notes also that due to the isolation, poverty, and relatively small size of many Indigenous communities, and the lack of transport options either public or private, innocent people cannot escape the violence. It has also pointed out that the constant exposure to violence has an extremely deleterious effect on the socialisation of children who are forced to witness it.

Indigenous leader Noel Pearson has vividly described how whole communities on Cape York are now involved in an epidemic of alcohol abuse, involving direct and severe risks to the health of drinkers (and, in the case of women, their unborn children), abhorrent levels of violence, and fundamental compromise to the capacity of both drinkers and others to contribute in any positive way to their own wellbeing or that of others. In other communities, petrol sniffing is endemic among youth, causing deaths and severe physical and mental disabilities, which again means loss of the individual's capacity to work or contribute to the community, as well as much distress and sadness to their families and community as a whole.

While there are no quick answers to many of these problems, it is clear that both the supply and the demand aspects of alcohol abuse need urgent attention. Governments cannot take the entire running on this, although their role is critical. Initiatives such as those being taken by the Queensland Government to reduce the supply and consumption of alcohol in Indigenous communities (particularly on Cape York) merit close consideration by other jurisdictions. As has been the case in the Northern Territory, the effective exercise of legislative and policing powers to enforce the community's desire for control of alcohol is a key step in tackling its abuse. That this can have dramatic effects is instanced by events in Aurukun this year. After near riots earlier in the year, a magistrate ordered the canteen closed on Fridays and Saturdays from June 14 to August 3. According to a report by the Liquor Licensing Division, that resulted in an immediate 60 per cent reduction in clinic presentations, and police call-outs were halved. Over the two months, there were no medical evacuations, whereas on previous trends, eight would have been expected.

Critical to dealing with the alcohol problem is getting community leaders to acknowledge the problem and give their authority to community efforts to beat it. In the case of Queensland, the groundswell of community action has resulted in the creation of community justice groups that have authority and protection under State legislation. While a community justice response is not unique to Queensland, the concept of supporting it with state law is.

Overall, it needs to be recognised that improving the capacity of the individuals and families resident in communities with a high level of dysfunction, and raising the level of community functionality overall, will require a rebuilding of acceptable norms governing both relationships between people and the exercise of individual responsibility.

7.   Challenges to governance

These phenomena, apart from their terrible impact on individuals and families, also seriously compromise the self-management capacity of communities. Indeed, the loss of norms of reciprocal contribution to the community, which had traditionally been an essential part of the economic and social organisation of Indigenous societies, can be seen as both a cause and a symptom of loss of individual and community capacity. In many instances, the community stability and governance structures needed to sustain a "healthy" community are simply absent.

Dr Peter Sutton, in his paper "The Politics of Suffering: Indigenous Policy in Australia since the Seventies" summarised the impact of European influence on community governance as follows:

> The period after about 1970 was not only the era of passive welfare but also very crucially the era in which systems of control and repression imposed on Indigenous people by church, state, and private enterprises were generally displaced by the freedoms of liberal democratic policy and its emphasis on community self-management and Indigenous self-determination.....This sudden release of external controls presupposed, it seems, that the old pre-colonial ideological and coercive systems of social discipline would revive, even after having been so thoroughly smashed and displaced in so many cases by enforced change and through the effects of an often brutal frontier where terrorism was practised against the original inhabitants. Or perhaps it presupposed that people would replace their own cultural values overnight and do what the new European-derived elected local councils told them to do, if indeed the councils ventured significantly down that path. Or perhaps it supposed that a new and unprecedented kind of internal system of control would arise quickly to cope with all eventualities. That these would have been unreasonable and naïve assumptions is plain to anyone who has lived in the relevant cultural contexts. Current degrees of suffering from problems of sexual violence not only against women, including the elderly, but also against children of both sexes, and similar manifestations of shattered discipline in a number of settlements is in significant part attributable to the withdrawal of older, coercive and culturally prescribed regimes, both Indigenous and imposed, without provision for something resilient that would fill the vacuums left behind.

Yet paradoxically, during the period described above by Sutton, many Indigenous communities, aspiring to greater control over their own affairs, have accepted, often at their own instigation, a level of managerial and service delivery responsibility generally not expected of other Australians – and one that weighs as a heavy burden due to the inherent lack of community and organisational capacity to undertake these functions. At the same time, little if any support has been provided to assist Indigenous communities to develop the skills needed to acquit these newly acquired responsibilities effectively.

Above and beyond the extra demands that the formal structures of governance impose on small communities, some commentators have identified the problems that can arise when cultural behaviours appropriate to a specific context are then applied in an alien context. A typical example is where primary allegiances to family and kin take precedence over broader (Western) considerations or principles such as "merit-based" employment decisions, "needs-based" allocation of houses, or concepts such as the broader "common good". Individuals occupying the equivalent of "company director" positions can also be legally exposed in such circumstances. More generally, former Deaths in Custody Royal Commissioner Hal Wooten has noted the conflicts which can arise "between immediate sharing and individual accumulation, between loyalty to kin and impartiality to all, between individual autonomy and the authoritarian practices of the school and industrial workplace, between individual advancement and remaining at one with the community." Anthropologist Peter Sutton has referred to the significance of traditional Indigenous power structures in setting some of the conditions for dependency, and of the "ancient need" to pursue family loyalties over essentially foreign ideologies such as the doctrine of the "common good". These influences can play out as an endless cycle of family-based dispute which diverts attention away from the real challenges.

Many communities have, in the face of these difficulties, achieved successes that are inspirational and a source of great community pride. It is important that these successes are acknowledged and celebrated. Information about them needs to be shared, so that other communities can consider applying and adapting them to their own needs, and governments use them to inform policy making and programme delivery.

Other communities have found the expectations unrealistic. When leaders who have been critical to the success of such projects discontinue their associations with these projects, for whatever reason, these projects and the stability of the whole community can unravel rapidly. Succession planning, leadership development, and the transfer of capacity, are key issues here. An intervention or added support at the right time can help develop leadership potential in the community, and maintain hard-won successes. However, there will always be inherent difficulties faced by tiny communities which are expected to function in a similar way to large and sophisticated ones. Few non-Indigenous Australians are, for example, required to act as rent collectors, landlords, community policemen or employers of their neighbours (or relatives). These and other onerous responsibilities often accrue to a small group of leaders in a community, who carry these burdens as well as being hampered by lack of educational background and experience.

8.   Effective governance

The challenges of overcoming these sorts of problems can be significant, but are unlikely to be insurmountable. There are a number of case studies in Australia that highlight the progress that can be made when effective governance arrangements are put in place.

- The Murdi Paaki Regional Council of ATSIC in New South Wales has developed a regional framework aiming to extend and give primacy to decision making by local Indigenous people in relation to issues affecting their communities. This framework is underpinned by the establishment of Community Working Parties (CWPs) in the region. The CWPs were established as a part of the Regional Housing and Infrastructure Implementation Manual and were established to make decisions on behalf of the Aboriginal community in relation to housing and infrastructure needs. The CWPs allow for representation of Indigenous organisations in the community, along with members representing young people, elders, women and general community members. This forum provides for the broadest cross section of the community to be represented. This is part of the Regional Council's strategy to fund "communities" and not organisations. Although the CWPs were established in relation to housing and infrastructure programmes, the ATSIC Murdi Paaki Regional Council now seeks advice from the CWPs on all issues affecting a community.

- In the Northern Territory, the Katherine West Health Board was established under the Coordinated Health Care trials as part of an approach to tackle the lack of access to health care services for Aboriginal communities. The Board consists of elected representatives from all the Aboriginal communities in the Katherine West Region. The Board now directly manages all clinical and public health services throughout the Region and directly employs all resident health staff in the region. Particular emphasis was placed on training Board members in managing money, decision making, and accountability. Giving Board members the opportunity to acquire these skills has greatly improved their confidence and improved the quality of decision making substantially. Significant up-front capacity building activity was critical to the success of this trial.

- In Western Australia, a number of communities have introduced Community Action Groups (CAGs). These groups aim to ensure that representatives of all Indigenous families within a community are involved in the management and development of that community. The WA Department of Indigenous Affairs, ATSIC, and the Commonwealth Department of Family and Community Services, through the Stronger Families and Communities Strategy, work in partnership with the communities to support this model of community governance.

The development and maintenance of leadership capacity amongst community members is an important element of the projects described above. Other key factors include broad representation from the community (overcoming kinship politics), with attention to geographical inclusiveness, and also to ensuring that groups such as women, elders and the young have a voice in decision making. Such strategies help to spread the opportunity of leadership more widely and to reduce the incidence of

burnout and reliance on a few key figures whose departure from communities may precipitate crisis. Engagement by "authorities" with the communities and a willingness to work alongside them and to be open to new ways of doing business, including in relation to allowing time for culturally appropriate governance arrangements to emerge, has also been critical to progress.

The positive experiences in the Australian Indigenous communities referred to above have their equivalents in other parts of the world, including North America. The Harvard Project on American Indian Economic Development found that American Indian nations that have broken away from the prevailing pattern of poverty and are building sustainable, self-controlled economies have the following five characteristics:

- *Real decision making power* over things such as governmental organisation, development strategy, dispute resolution, civil affairs, etc (in other words, genuine self-management)

- *Effective governing institutions* – ie, stability, separation of politics from business and program management, effective and non-politicised dispute resolution procedures and a bureaucracy that can get things done

- *Cultural match* – to be successful, governing institutions have to match the political culture of the community (working with – not against – Indigenous law and practice) with the support of the people

- *Strategic orientation to the future* – dependency and powerlessness have long undermined strategic thinking among Indigenous nations. The result is fire-fighting, band-aid programs and funding-driven decisions. Successful nations took a long term view and knew what kind of society they wanted to build

- *Effective leadership* – some set of persons who recognise that foundational change is needed, have a vision of a different future and can bring the community along with them in trying to make it happen.

More information on these issues can be found on the Reconciliation Australia governance website (www.reconciliationaustralia.org/graphics/info/publications/governance/speeches).

9. Working with the culture

The question of culture is a sensitive area where governments must tread carefully. Previous approaches to Indigenous policy in Australia often involved ignoring or dismissing cultural norms and practices. In many instances, the resulting imposition of western models and expectations on Indigenous communities failed to achieve the aims of the intervention.

An alternative approach, which is that of the current government, is to reflect cultural awareness in the design and delivery of government and other services. The current COAG trials of a whole of governments cooperative approach in up to 10 communities or regions, which are described in more detail later in this submission,

are an example of governments seeking to engage effectively with communities (informed by an awareness of and respect for local cultural requirements).

Often, such an approach constitutes a new and challenging way of working both for the public sector, and for non-government organisations, such as resource development, tourism or other businesses that need to deal with Indigenous organisations, communities and employees. In the case of government, it can require the acceptance of greater control of and influence over policy decisions and programme design by Indigenous people and unprecedented flexibility in programme administration. It underlines the need for a broader cultural awareness among officials who interact with Indigenous people in policy development and service provision. We must be careful, however, not to underestimate the potential complexity of this task in terms of the wide range of cultural sensitivities that need to be acknowledged, as well as the geographic variation across Australia. Working effectively with culture requires a capacity to understand everything from "sorry" business and traditional justice to issues of gender and ceremony. This recognition also underlines the importance of working to find "local solutions to local problems".

While there is still much to be done in improving cultural responsiveness of both policy development and service delivery, there are a number of innovative approaches which have displayed the kind of flexibility and sensitivity that is needed, and which have had promising results. They are reflective of one of the major challenges of contemporary Indigenous policy development, which is to make mainstream services and programmes more responsive to the needs of Indigenous policy. Cultural sensitivity lies at the heart of improved responsiveness.

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

- Nowra, on the south coast of New South Wales, is another area where Aboriginal access to mainstream primary health care services was particularly low. In 1999, a General Practitioner Aboriginal Health Clinic was established. The aim was for it to work in partnership with the Aboriginal-controlled South Coast Medical Service to increase the accessibility of general practice health services and to improve Aboriginal people's health outcomes. Provision of the health services in a culturally appropriate way was a key principle of the

initiative. One of the first practical tasks undertaken was the provision of training for GPs in the management of common Indigenous health problems and in cultural awareness. Additional GP services were provided in a culturally appropriate setting. The initiative resulted in many new patients, who previously had not had a regular practitioner, accessing GP services.

The principles behind such initiatives were further articulated by the Government in its formal response to the Commonwealth Grants Commission *Report on Indigenous Funding 2001*. These 10 broad principles for the equitable provision of services to Indigenous people, adopted in June 2002, include the overarching principle that:

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

A full list of the principles appears at Attachment D.

COMMONWEALTH LEADERSHIP

10.   The Indigenous Roundtable on Community Capacity Building

Recognition of the importance of building and/or restoring capacity within Indigenous communities as a means of establishing self-reliance and moving away from welfare dependency was the impetus for the Indigenous Roundtable on Community Capacity Building held in October 2000. The Roundtable was convened by the then Minister for Family and Community Services, Senator the Hon Jocelyn Newman, and the then Minister for Aboriginal and Torres Strait Islander Affairs, Senator the Hon John Herron, at the request of the Prime Minister. Its aim was to arrive at a mutual understanding of the needs of Indigenous people and communities in relation to national, regional and local approaches to supporting them to take responsibility for achieving healthy and purposeful living, balanced self-esteem and strong, self-reliant families and communities.

The Roundtable brought together prominent Australians, including senior Indigenous and community leaders, industry and church representatives, academics, and individuals with recognised expertise in working with Indigenous families and communities. The Roundtable, while acknowledging the efforts of Indigenous communities and governments that had resulted in many gains in key areas such as health, housing, education, employment, industry and sport, identified a range of major issues seriously affecting the wellbeing of Indigenous families and communities. These included many of the phenomena widely experienced in Indigenous communities as previously described: family violence, substance abuse, chronic welfare dependency, breakdown of traditional community structures, and a lack of direction for young people (resulting in poor self esteem, substance abuse, violence and suicide).

In its communique, a copy of which is at Attachment A, the Roundtable called for a new approach involving a partnership between governments and communities that would facilitate the development of self-reliance for Indigenous Australians, rather

than one entrenching welfare dependency. Importantly, the Roundtable, while acknowledging that governments have a key role to play in assisting Indigenous Australians to develop the capacity to realise self-reliance, recognised that Indigenous people themselves should be encouraged to take the primary responsibility for shaping a better life for future generations, and called for the active and sustained involvement of Indigenous people in the social, cultural and economic development of the Australian community.

11.   COAG reconciliation framework

The fundamental importance of capacity building was subsequently supported, under the Commonwealth's leadership, by the Council of Australian Governments (COAG) through the reconciliation framework it agreed on 3 November 2000 (Attachment C). In outlining this national reconciliation framework, COAG committed itself to an approach based on partnerships and shared responsibilities with Indigenous communities, program flexibility and coordination between government agencies, with a focus on local communities and outcomes. It agreed priority action was needed in three areas:

- investing in community leadership initiatives;

- reviewing and re-engineering programmes and services to ensure they deliver practical measures that support families, children and young people. In particular, governments agreed to look at measures for tackling family violence, drug and alcohol dependency and other symptoms of community dysfunction; and

- forging greater links between the business sector and Indigenous communities to help promote economic independence.

These developments marked an increasing recognition by governments and communities of the importance of building partnerships of shared responsibility for improving the circumstances of Indigenous people. The strength of the COAG initiative is that it stretches across the whole of government (linking the policy silos) and between the tiers of government. British experience with whole-of-government approaches to policy is described in Attachment B.

The Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA), which includes Commonwealth and State Ministers with responsibilities for Indigenous Affairs and the Chairperson of ATSIC, has important responsibilities under the COAG reconciliation framework. It has an overarching coordination and performance monitoring role that is more fully spelled out under the action plan it developed under the COAG framework. As part of that role, it is assessing the action plans COAG required most other ministerial councils to develop in support of the reconciliation framework. These action plans are required to include performance monitoring strategies and benchmarks.

At its meeting of 15 March 2002, MCATSIA again focussed on partnerships and their importance in capacity building. Having identified community capacity as a fundamental driver to implementing change, MCATSIA agreed that working in partnership with communities to build their capacity is a priority for all governments, and that building the capacity of government agencies to work together and across

the three levels of government is essential to engage in a true partnership approach with Indigenous communities.

Shortly afterwards, in April 2002, COAG agreed to implement a whole-of-governments cooperative approach in up to 10 communities or regions. The aim of this initiative is to improve the way governments interact with each other and with communities to deliver more effective responses to the needs of Indigenous Australians. This approach will be flexible in order to reflect the needs of specific communities, build on existing work and improve the compatibility of different State, Territory and Commonwealth approaches to achieve better outcomes. The selection of communities and regions is under active discussion between the Commonwealth, States and Territories, the communities and ATSIC. The lessons learnt from these cooperative approaches will be able to be adapted and applied more broadly.

An important aspect of the Commonwealth's participation in the COAG initiative is its recognition that it will take from three to five years for the benefits of the coordinated approach to begin emerging in better outcomes for the target communities. This is because substantial up-front investment is likely to be needed in building the capacity of communities so they can engage as equal partners in the process and have informed control over the decisions about their needs and how to meet them.

The Commonwealth's engagement in the COAG initiative is occurring within a wider framework that includes a strong commitment to action by Commonwealth Ministers with responsibility for Indigenous policy and/or programs. They meet regularly to discuss matters of common interest and examine opportunities to improve service delivery for Indigenous people. The Chairman of ATSIC attends these meetings when he is available.

At the most senior levels of the bureaucracy, a Secretaries Advisory Group on Indigenous Affairs is overseeing moves to focus on "whole of government" activity as it guides participation in the COAG initiative. The Indigenous Communities Coordination Taskforce, which is responsible to the Secretaries Advisory Group, has been established to lead joint activity across Commonwealth agencies, and will be working closely with the Indigenous communities participating in the COAG initiative. The existence of this Taskforce, which brings together experienced staff from a range of agencies across the Commonwealth, underlines the increased emphasis being placed on working across traditional portfolio boundaries to deliver improved outcomes for Indigenous people. The Taskforce is complemented by the work of a Commonwealth Indigenous Reference Group, which has a strong focus on capacity building and whole of government coordination, having subsumed the functions and responsibilities of a former cross-portfolio Working Group on Community Capacity Building which had been established and led by ATSIC. These structures are requiring Commonwealth agencies to work together more closely, both through formal meetings and through informal and ongoing networking, to achieve more holistic policy development and programme design.

The Commonwealth is also engaged in a range of measures through the More Accessible Government initiative, which aim to make government more accessible to individuals, families and communities, particularly those in rural, regional and remote Australia. Currently, particular emphasis is being given to the development of the Grantslink website to assist community groups with identifying suitable sources of

grants from the Commonwealth, and also to making the application process more straightforward.

12. Integrating capacity building into policy and programme design

The Commonwealth has adopted general principles which locate capacity building firmly at the heart of policy and programme design. For instance, in response to the detailed issues discussed in the Commonwealth Grants Commission *Report on Indigenous Funding* 2001, the Commonwealth adopted a set of principles to guide its approach to meeting the needs of Indigenous people. Included in these was a specific commitment to improving community capacity as a key factor in achieving sustainable outcomes for Indigenous communities.

The Commonwealth and other governments have introduced a number of specific policy initiatives to which capacity building is central. Some of these incorporate traditional structures around family and kinship.

- For example, the Cape York Family Income Management Project is supporting families who wish to use their income support and family payments as family resources to support the better functioning of both individual households and the community. However, "Western" structures of governance and accountability are equally critical to the design of this programme, and are imparting additional capacity to participants without seeking to remove the skills and assets in the community.

- Similarly, the Community Participation Agreements (CPAs) initiative announced as part of the *Australians Working Together (AWT)* package in the 2001 Budget, focuses on building social capital in communities, improving leadership and community governance, and enhancing the ability of people to contribute to these communities. Under the initiative, Indigenous communities will identify practical ways people can contribute to their families and communities in return for income support. This initiative shows promise of supporting, drawing on, and enhancing Indigenous social capital and community cohesion at the same time as being aligned with contemporary policy thinking about welfare, mutual obligation, and participation. This initiative is being implemented by ATSIC.

- The Northern Territory and Commonwealth governments are working with the communities of Wadeye/Port Keats to build strong and fair governance structures which will increase the communities' capacity to work effectively with government to produce better outcomes in health, education, cultural maintenance, community safety and justice. Critical to this initiative is proper recognition of kinship and land affiliations.

An emerging policy challenge for governments, recognising the ongoing desire by Indigenous communities to accept greater responsibility for control over aspects of their affairs, is to actively support Indigenous people in their efforts to develop the individual and community capacity necessary to achieve self-management and self-reliance. Part of this governmental responsibility logically rests with existing areas of activity, such as the education system. However, in order to overcome the significant historical factors that have limited governance capacity, including the proliferation of incorporated community organisations (now estimated to be one for every 100

Indigenous Australians), governments will need to give careful consideration to the contributions they can make to capacity building activity. One option that merits close consideration is the inclusion of a formal capacity building component in all government programs/initiatives that devolve service delivery and/or managerial responsibility to Indigenous communities.

13.   Stronger Families and Communities Strategy

The Commonwealth's Stronger Families and Communities Strategy provides funding for prevention and early intervention programs for families and communities, with particular benefits for those at risk of social, economic and geographic isolation.

The Government has recognised that Indigenous families and their communities are facing particular stresses associated with the degree of disadvantage they experience. A minimum of $20 million has been made available for Indigenous-specific initiatives under the Strategy. Since January 2001, 60 state and territory based Indigenous projects have been supported. The key areas of focus are leadership, developing local solutions to local problems, and initiating early approaches for families

Some projects have elements of all three areas of focus. For example:

- the Triple M project, Murri Men MENDing aims to advance the emotional, social and economic needs of Indigenous men within Inala and surrounding suburbs of Brisbane. Volunteer community facilitators will encourage men to take an active role in the community, and to address issues such as self-esteem, relationships, parenting, avoiding violence, nutrition, and other lifeskills.
- the Central Coast (NSW) Pelicans Aboriginal Corporation was given funding of $7000 under the Local Solutions to Local Problems initiative to run a 3-4 day camp for Aboriginal men and their sons or charges. The camp was designed to raise awareness of the men's responsibilities as caretakers of the area, build community cohesion and provide an opportunity for the community to devise ways to address some of the issues facing them.
- the Ramingining Community Council in the NT is funded, also under the Local Solutions to Local Problems initiative, to employ a women's centre coordinator to mentor local women to establish and maintain a healthy community through program delivery, family intervention strategies, and leadership initiatives.

Major national projects have also been supported under the Strategy, including:

- the Family Income Management trials on Cape York ($1.19 million over three years from 2001-02). This project assists Indigenous families to build their capacity to better manage income and family responsibilities. Westpac is providing significant support to the project, which will provide jobs for about 18 local people.

All of these initiatives have key components of capacity building as an

integral part of their design.

14. Developments in leadership

Leadership is a clear indicator of community capacity. Recognising the importance of leadership, the Government and its agencies have been engaged in a number of activities to support and develop Indigenous leadership. They include:

- The establishment of the Australian Indigenous Leadership Centre. This project is assisting Indigenous men and women who are active in their communities' affairs to participate in an accredited leadership development program. It is auspiced by the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS), and has received significant financial support from the Commonwealth and New South Wales, as well as a number of corporate sponsors and individual donors.

- The establishment of the National Indigenous Youth Leadership Group, which met for the first time in 2001. The Group provides opportunities for young Indigenous Australians to discuss their experiences and perspectives with the Minister with portfolio responsibility for youth affairs, advise the Minister on the most effective ways to empower Indigenous young people in their communities, promote positive images of young Indigenous people, and develop leadership skills.

- The Government has initiated a review of *the Aboriginal Councils and Associations Act 1976.* It is expected that this review, which has involved extensive consultation with stakeholders, will result in proposals for legislative change. One of the aims of reform of the ACA legislation will be to replace the outdated incorporation and supervisory powers of the Registrar of Aboriginal Corporations with a contemporary capacity-building role in advising and assisting all Indigenous organisations towards better governance. The Government is yet to receive the final review report.

- A training package to help Aboriginal and Torres Strait Islander peoples better manage their community organisations has been launched by ATSIC. The package provides national qualifications for the governance of Aboriginal and Torres Strait Islander organisations and will form an important vehicle for capacity building and community development.

15. Focus on agreement making

Further development of the leadership skills of Indigenous people will expand the possibility for them to be more equal participants in the new culture of agreement making which governments have been fostering. These agreements are being established at the national and state/territory level (predominantly in partnership with ATSIC) and also at the regional/local level (e.g. Indigenous Land Use Agreements under the Native Title Act).

Already, agreement making is giving Indigenous people real influence and control in the areas that matter.

- ATSIC has the statutory power to enter into agreements with states and territories. Last year, it negotiated a Statement of Commitment to a new and

just relationship between the Government of Western Australia and Aboriginal Western Australians. Its core objective is to significantly improve the health, education, living standards and wealth of Aboriginal people. Its significance lies not just in its objectives, but in the processes that underpin it – acceptance of responsibility, joint planning, accountability for outcomes, the use of clear performance measures, and institutional reform where it is needed. ATSIC has a series of similar agreements with other jurisdictions.

- ATSIC also has the power to negotiate and cooperate with other Commonwealth bodies, as well as state, territory and local government bodies. Thus, ATSIC has entered into a range of agreements and MOUs with other agencies, for instance the MOU with the Department of Education, Training and Youth Affairs (now the Department of Education, Science and Training) for the purpose of improving Indigenous Education outcomes. The MOU sets out a protocol for consultation between the two agencies and provides for ATSIC's participation in major policy development, review and evaluation. In this context, the Minister for Immigration and Multicultural and Indigenous Affairs has indicated that he believes there is a need for ATSIC's role to be strengthened and more formal relationships established between Commonwealth agencies and ATSIC (in which the elected representatives of Indigenous people have more influence over government agencies).

- ATSIC has also been a key player in negotiating framework agreements with the Commonwealth government, states and territories, and the Indigenous community sector. Its activity here has been most pronounced in health and housing/infrastructure, with planning descending down to the regional level and directly involving ATSIC regional councils.

But this is only the start. There is a need for innovative thinking about the other ways in which agreement making could contribute to better outcomes for Indigenous people. While the form of agreements will differ, in order to be responsive to local needs, agreements need to be robustly focused on outcomes, and to assign shared responsibility for those outcomes to all parties to the agreement. Community capacity and leadership are essential foundations for effective agreement making.

16.   Extending partnerships

There is potentially significant benefit to be gained from drawing other parties with relevant expertise into partnerships between government and communities. A number of aid and development organisations (that traditionally have focused their attention on third world countries) have begun to show interest in working with Indigenous communities. Aid agencies typically possess a wealth of knowledge on communicating basic health practices, re-establishing education structures, developing self-sustaining communities through rural development, establishing essential infrastructure and improving governance. They generally take a capacity-building approach to their engagement with communities.

Aid agency participation should be considered as complementary to government programmes rather than a substitute. For instance, there may be need for very intensive on the ground capacity building to take place in order for communities to

acquire the skills necessary to access government programmes effectively. Aid agencies may have the best set of skills for this capacity building work.

Some aid agencies such as World Vision and Oxfam Community Aid Abroad are already working in Indigenous communities, often in innovative ways. For instance, World Vision Australia has been working since 1996 with remote Indigenous communities, focusing on community development in a number of key areas including education and advocacy, leadership development, preventative health care, and micro-enterprise development. Oxfam's Indigenous Australia Program supports a range of activities based around capacity building, cultural revival and gender issues in development.

Bringing the business sector into partnerships with government and community can also assist in building sustainable capacity. There are a number of instances of this happening within the Indigenous sector. For example, Rio Tinto funds the Rio Tinto Aboriginal Foundation, which aims to enhance the status and capacities of Indigenous peoples, by supporting initiatives that improve education, health and cultural preservation. In the area of education, a range of initiatives ranging from individual tertiary scholarships and small grants to local schools, to long-term projects that involve and inform the wider community, have been supported by the company.

17. A new policy agenda

In his speech to the ATSIC National Policy Conference in March 2002, the Minister for Immigration and Multicultural and Indigenous Affairs, the Hon Philip Ruddock, nominated five broad policy objectives as a basis for future policy development. They were:

- First, shifting the Indigenous policy emphasis towards individuals and families specifically rather than viewing all Indigenous need through rubric of community. In the end, functional individuals and families are the foundation of communities.

- Second, that the disempowering rhetoric of victimhood be abandoned in favour of a genuine partnership of shared responsibility between governments and indigenous people in which the notion of individual responsibility empowers Indigenous people.

- Third, intensively targeting Indigenous primary school students to ensure they actually attend school and gain the literacy and numeracy skills essential for long term economic independence. This is how we can break welfare dependence.

- Fourth, making substance abuse – in particular alcohol and tobacco – a central focus of our attempts to improve Aboriginal health. Their contribution to Indigenous ill-health, violence, incarceration and premature death demand such a focus.

- Fifth, making sure that general programmes and services are catering to Indigenous people so that Indigenous-specific resources can be targeted to areas

of greatest need. All governments have a moral obligation to ensure mainstream services are meeting the needs of Indigenous people.

Reference has been made earlier in this submission to a number of these principles in the context of capacity building. They provide substance to the idea of capacity building in terms of the responsibilities of policy makers and deliverers to ensure that government programmes provide the optimal conditions for the building of Indigenous capacity. While some of the individual issues have been previously identified as critical to the wellbeing of Indigenous people, this new policy agenda highlights the importance of using them as benchmarks for Indigenous policy development.

18.   Future developments

This submission has described the criticality of building capacity in individuals, communities and government, as an important foundation for effectively addressing the serious problems of disadvantage and community dysfunction experienced by Indigenous people. It has suggested some priorities for capacity building, and outlined some of the policy and programme directions within the Commonwealth, and other jurisdictions, already being undertaken in this regard.

This Department, in particular through OATSIA and the Indigenous Communities Coordination Taskforce, is playing a key role in many of these developments. In doing this, it maintains close links with other Commonwealth agencies, including ATSIC, with state and territory counterparts, and with communities.

DIMIA's role in supporting capacity building will continue to be a significant one. We expect that the report of the inquiry will provide further guidance to us as we move forwards, in support of a better future for Indigenous people.

September 2002

Office of Aboriginal
and Torres Strait
Islander Affairs

Attachment A

Communique

Indigenous Community Capacity Building Roundtable
24 October 2000 – Old Parliament House Canberra

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1.   Background:

(a)   The Roundtable was convened by Senator the Hon Jocelyn Newman, Minister for Family and Community Services and Senator the Hon John Herron, Minister for Aboriginal and Torres Strait Islander Affairs;

(b)   The Prime Minister asked Senators Newman and Herron to convene the Roundtable to arrive at a mutual understanding of the needs of indigenous people and communities in relation to national, regional and local approaches to supporting indigenous people to take responsibility for achieving healthy and purposeful living, balanced self-esteem and strong self-reliant families and communities; and

(c)   The Roundtable brought together prominent Australians, including senior indigenous and community leaders, industry and church representatives, academics, and individuals with recognised expertise in working with indigenous families and communities (membership of the Roundtable at Attachment A).

2.   The Roundtable:

(i)   acknowledged the efforts of indigenous communities and governments that have resulted in many gains in key areas such as health, housing, education, employment, industry and sport;

DIMIA

(ii)   identified a range of major issues affecting the wellbeing of indigenous families and communities. These include: family violence; substance abuse; chronic welfare dependency and the debilitating effects of an over-reliance on welfare such as breakdown of traditional community structures; a lack of direction for young people, resulting in poor self esteem, substance abuse, violence and suicide;

(iii)   called for a new approach involving a partnership between governments and communities that will facilitate the development of self reliance for indigenous Australians, rather than one that entrenches welfare dependency. Such an approach should be based on:

  (a)   flexibility and change in the way bureaucracy works with indigenous people;

  (b)   the existing strengths and assets within indigenous families and communities;

  (c)   sustainable economic growth;

  (d)   encouraging pride in indigenous history, traditions, culture and spirituality; and

  (e)   the importance of cultural values and spirituality in the life of indigenous families and communities.

(iv)   recognised that indigenous people themselves should be encouraged to take the primary responsibility for shaping a better life for future generations;

(v)   called for regional approaches that require collaboration between business, churches, indigenous organisations, other non-government bodies and the broader community;

(vi)   recognised that there needs to be a process of healing for individuals and communities to enable indigenous people to take up new opportunities within the Australian community;

(vii)   acknowledged that governments have a key role to play in assisting indigenous Australians to develop the capacity to realise self-reliance;

(viii) called for the active and sustained involvement of indigenous people in the social, cultural and economic development of the Australian community;

(ix)   recommended that governments and indigenous people work in partnership, based on the following principles, in the design and implementation of programmes aimed at supporting indigenous families and communities:

(a) responses should build on the existing strengths, assets and capacities of indigenous families and communities, and reflect the value of positive role models and successful approaches;

(b) programmes should be delivered on a strategic, coordinated and whole-of-government basis and recognise the complex nature of the problems they seek to address;

(c) programmes should provide a clear framework of transparent accountability for funding and evaluation that takes into account actual outcomes for people at the community level and the views of communities;

(d) programmes should be based on the views and aspirations of the whole community, particularly those most affected by programmes, and indigenous people themselves should have a central role in the design, planning and delivery of services;

(e) time is required to enable the participation of the whole community and this should be reflected in funding cycles;

(f) responses should aim to empower indigenous people in leadership and managerial competence;

(g) urgent attention should be given to initiatives which target the needs of children and young people, particularly in the areas of leadership training, self esteem building, awareness of one's culture and family, and anti-violence training;

(h) programmes should reflect the specific needs of local communities and families and not be designed on a "one-size-fits-all" basis;

(i) programmes should contribute to practical reconciliation by empowering indigenous people to take responsibility within their families and communities for developing solutions to problems;

(j) priority should be given to initiatives that encourage self-reliance, sustainable economic and social development, and that encourage the capacity of families and communities to deal with problems as they arise;

(k) programmes should encourage the growth of local economies;

(l) where possible, programmes should take account of and respond to regional and local plans; and

(m) programmes must be developed and delivered in ways that give priority to the building of trust and partnerships.

(x)   noted that the $20 million earmarked by Senator Newman under the *Stronger Families and Communities Strategy* ('*the Strategy*') will assist indigenous Australians to develop the capacity for self-reliance and to build on existing strengths and capacities;

(xi) recommended that, together with the principles underpinning the *Strategy*, these principles will provide the basis for funding indigenous specific projects under the *Strategy*;

(xii) nominated a working group (membership at Attachment B) of its representatives to pursue the work arising from the Roundtable and to provide ongoing advice to government including in relation to the use of funds under the *Strategy* and in the development of national approaches; and

(xiii) agreed to reconvene in 6 months time to review progress.

Canberra, 24 October 2000

An overseas approach to improving government capacity

The Blair Government in the United Kingdom has implemented a major whole-of-government coordination initiative under the banner of "joined up government". Evaluation of this approach offers a number of learnings that are relevant in the Australian Indigenous context. For instance, it is important not to underestimate the difficulties involved in achieving effective joined up government, particularly in a context of functionally discrete departments of state with culturally entrenched preferences.

The Performance and Innovation Unit (PIU) in the UK has identified three critical factors for success in what it refers to as a "cross-cutting" approach:

- Although governments may set overarching objectives and budgets which cross departmental boundaries, if they fail to alter the main levers of behaviour (budgetary and accountability systems; relationships with Parliament and so on) cross-cutting objectives will remain notional;

- Cross-cutting objectives need champions at ministerial and permanent secretary level if they are to have a substantial and lasting impact on behaviour; and

- Cross-cutting objectives and targets are best kept to a minimum. The maintenance of the majority of governmental activity within departments keeps cross-departmentalism at a realistic level and reduces complexity.

The PIU also concluded that six inter-related reforms are also necessary:

- *Stronger leadership from ministers and senior civil servants* to create a culture which values cross-cutting policies and services;

- *Improving policy formulation and implementation* to take better account of cross-cutting problems and issues, by giving more emphasis to the interests and views of those outside central government who use and deliver services;

- *Equipping civil servants with the skills and capacity* needed to address cross-cutting problems and issues;

- *Using budgets flexibly* to promote cross-cutting, including using more cross-cutting budgets and pooling of resources;

- *Using audit and external scrutiny* to reinforce cross-cutting and encourage sensible risk-taking; and;

- *Using central agencies to lead the drive to more effective cross-cutting approaches* wherever they are needed, creating a strategic framework in which cross-cutting work can thrive and intervening only as a last resort.

These findings are highly relevant to the involvement of all COAG jurisdictions in the "ten communities" trials. The question of the relationship between the centralised unit (coordinator) and local authorities/quasi-autonomous bodies for the purposes of implementation and control is a major issue that remains unresolved in the UK. This will be a critical issue for Indigenous Australia, given that jurisdictions will generally

be seeking engagement with communities through incorporated community councils and other legally registered community entities, as well as ATSIC

EXTRACT FROM
COUNCIL OF AUSTRALIAN GOVERNMENTS COMMUNIQUE

INTRODUCTION

The Council of Australian Governments today held its ninth meeting in Canberra. The Council, comprising the Prime Minister, Premiers and Chief Ministers and the President of the Australian Local Government Association, had wide ranging discussions on three important areas of national interest – natural resource management, aboriginal reconciliation and gambling – and signed a major agreement to deliver streamlined national food regulation to Australian States and Territories.

This Communique sets out the agreed outcomes of the discussions on these and other issues. ....

ABORIGINAL RECONCILIATION

The Council thanked the Council for Aboriginal Reconciliation for its extensive work and contribution to the nation over the past nine years.

Reconciliation is an ongoing issue in the life of Australians and a priority issue for all governments that will require a concerted and sustained effort over many years. The Council acknowledged the unique status of indigenous Australians and the need for recognition, respect and understanding in the wider community.

The Council agreed that many actions are necessary to advance reconciliation, from governments, the private sector, community organisations, indigenous communities, and the wider community. Governments can make a real difference in the lives of indigenous people by addressing social and economic disadvantage, including life expectancy, and improving governance and service delivery arrangements with indigenous people.

Governments have made solid and consistent efforts to address disadvantage and improvements have been achieved. For example, indigenous perinatal mortality rates have dropped from more than 60 per 1,000 births in the mid-1970s to fewer than 22 per 1,000 births in the mid-1990s. However, much remains to be done in health and the other areas of government activity.

Drawing on the lessons of the mixed success of substantial past efforts to address indigenous disadvantage, the Council committed itself to an approach based on partnerships and shared responsibilities with indigenous communities, programme flexibility and coordination between government agencies, with a focus on local communities and outcomes. It agreed priority actions in three areas:

* investing in community leadership initiatives;

* reviewing and re-engineering programmes and services to ensure they deliver practical measures that support families, children and young people. In particular, governments agreed to look at measures for tackling family violence, drug and alcohol dependency and other symptoms of community dysfunction; and

* forging greater links between the business sector and indigenous communities to help promote economic independence.

The Council agreed to take a leading role in driving the necessary changes and will periodically review progress under these arrangements. The first review will be in twelve months. Where they have not already done so, Ministerial Councils will develop action plans, performance reporting strategies and benchmarks.

The Ministerial Council on Aboriginal and Torres Strait Islander Affairs will continue its overarching coordination and performance monitoring roles, including its contribution to the work of the Review of Commonwealth/State Service Provision. ...

Council of Australian Governments

3 November 2000

Government response to Commonwealth Grants Commission Report on
Indigenous Funding
Principles for the equitable provision of services to Indigenous people

Indigenous Australians experience greater levels of social and economic disadvantage in comparison with non-Indigenous Australians. It is also the case that Indigenous people in the more rural and remote areas of Australia experience greater levels of disadvantage than Indigenous people in urban and regional centres. In allocating resources to redress this disadvantage, the Government seeks to apply the following principles:

1. The design and delivery of services to meet Indigenous needs should be flexible and undertaken on the basis of partnerships and shared responsibilities with Indigenous people in a culturally and locationally appropriate way.
2. .The development of a long term perspective in the funding, design and implementation of programs and services to provide a secure context for setting goals.
3. Access to services will be provided on the basis of need and equity to all Australians, including Indigenous Australians, with a clear focus on achieving measurable outcomes.
4. Mainstream programs and services have the same responsibility to assist Indigenous Australians as other Australians.
5. The resources needed to address the specific disadvantages faced by Indigenous clients, whether delivered through the mainstream or Indigenous-specific services, can be greater than for other clients, especially in rural and remote locations.
6. Where mainstream services are unable to effectively meet the needs of Indigenous people (whether due to geographic limits to availability or other barriers to access) additional Indigenous-specific services are required.
7. Overall capacity to achieve outcomes is an important factor when considering whether Indigenous-specific programs and services should be established to meet identified need or whether to enhance mainstream programs.
8. Coordination of service delivery within and between governments.
9. Improving community capacity is a key factor in achieving sustainable outcomes for Indigenous communities.
10. Data collection systems require continuous improvement to ensure performance reporting on key Indigenous outcomes is of a high standard and enables resource allocation to be better aligned with identified need, including by geography.

Dr Rolf Gerritsen's model of the components of community capacity

GOVERNMENT CAPACITY

Agency Organisation issues	
• Interagency issues	The ability of agencies to cooperate and to time their activities to enhance mutual impacts.
• Planning	Planning processes need to incorporate community impact
• Administrative resources,	This includes long-term commitment of personnel to projects, including consultation. Frequent changes of staff can reduce the effectiveness of consultative processes.
• Policy development	Capacity is more effectively developed if community consultation occurs early in policy formulation.
Program design issues	
Relation between CCB and program design	Program design should consistently incorporate elements of capacity-building including skills transfer.
Achievable outcomes and determined impacts	Program design needs to take into account what can realistically be achieved.
Socially appropriate program design	Programs need to deal with all relevant aspects of the target group's lives, social, economic and cultural.
Impact of/interaction with other programs	Program design should anticipate the impacts of other agencies' programs
Evaluation processes	Communities should be evolved in evaluation processes.
Community capacity building issues	Issues critical to capacity, such as skills transfer, consultative mechanisms, establishment of strong governance processes, and effect upon community social capital, need to be taken into account holistically in program design.
Program implementation issues	
Measurement and evaluation issues	Again, evaluating outcomes needs to formally involve the community. In such a process, important information flows both ways.
Bureaucratic capacity	Agencies can assist in building community capacity by extended time commitment to community consultation, minimising staff change, and paying close attention to skills transfer.

Community capacity building issues	Issues such as community power structures, its managerial capacity and receptiveness to skills transfer should be intrinsic to the manner in which implementation processes are designed.

INTRA-COMMUNITY CAPACITY

Internal community endowments	This includes both physical infrastructure, including health infrastructure, but also its social capital. Social capital is described by Gerritsen as including three elements: • Community networks, or forms of societal coordination that provide formal or informal forums for cooperative behaviour • Norms that facilitate and legitimate cooperation within the various interests in the community; and • Social trust between individuals and between the community and its institutions, to encourage cooperation.
Internal community dynamics	Agencies interacting with communities must be aware of each community's cultural/social forces and mores, and of the community's leadership and decision making processes.
Relations external to the community	This includes community understanding of imperatives such as accountability, periodic reporting and grant acquittal. Streamlining of these processes by government would assist in achieving compliance. Gerritsen identifies bilateral agreements between communities/Regional Councils and agencies are one means to enhance community capacity in this area.

Source: Gerritsen, Rolf. *Community capacity building: an ATSIC discussion paper.* Unpublished, 2001.