



ATSIC

CHAIRMAN

Capacity Building

Submission No. 66

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

Dear Mr Wakelin

INQUIRY INTO CAPACITY BUILDING IN INDIGENOUS COMMUNITIES

On behalf of the Aboriginal and Torres Strait Islander Commission (ATSIC), I am pleased to provide a Submission to the Inquiry into Capacity Building in Indigenous Communities. The Submission builds on the initial presentation made to the Standing Committee by ATSIC in August 2002, the subsequent interaction between the Board of Commissioners and your Committee, and appearances by Commissioners at the Committee's public hearings.

The Committee asked ATSIC for a Submission that provides practical guidance to capacity building in communities, organisations and government. Included in the Submission is a broad framework, which reinforces the need for capacity building at all levels. This integrated capacity building framework for sustainable development suggests developmental activities at each tier, simultaneously, using a range of best practice methodologies, but particularly emphasises developmental approaches focusing on empowering individuals, families and small groups at the community level.

Since the Inquiry began, the Reassessment of Indigenous Participation in the Development of Commonwealth Policies and Programs (the ATSIC Review) was announced and implemented. One of ATSIC's recommendations is that your Committee and the ATSIC Review Panel share your findings, as both processes may benefit.

I take this opportunity to thank you for the cooperation extended to the Board of Commissioners over the past several months and trust that the attached Submission contributes positively to your Inquiry.

Yours sincerely



Geoff Clark

12 August 2003

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION

Level 8, Lovett Tower, Phillip ACT 2606 • PO Box 17 Woden ACT 2606

Tel: (02) 6121 4054 • Fax: (02) 6285 3742

www.atsic.gov.au

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON
ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**

INQUIRY INTO CAPACITY BUILDING IN INDIGENOUS COMMUNITIES

SUBMISSION BY

THE ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION (ATSIC)

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1. EXECUTIVE SUMMARY

There is evidence of a crisis in many Indigenous communities today. Current levels of poverty, disadvantage and dysfunction are recorded across a wide range of economic and social indicators. There is a growing recognition of the limitations of current service delivery, and the central role of capacity building and developmental approaches in overcoming these problems.

In this Submission ATSIC argues for more systemic change to policy, program and service delivery to Indigenous communities, in order for capacity building to occur, the main components of which are:

- the adoption of the integrated capacity building framework for sustainable development, by all those involved in policy, program and service delivery in Indigenous communities;
- the integral role of ATSIC corporate, regional and community planning processes in development methodologies suggested in the framework;
- the need for a long-term bipartisan approach by governments to capacity building for sustainable development in Indigenous communities, targeting individual, families and small groups
- the need for short/medium term interventions, which address symptoms, rather than causes of dysfunction that engage the people directly affected in the development of local solutions;
- the importance of alliances or partnerships with government and non-government development organisations (NGDOs); and
- the *potential* of community-based organisations as vehicles for building community capacity;

The framework and terminology used by ATSIC is explained more fully in the Submission and attachments, as are current initiatives. 'Capacity building', 'capacity development', and 'developmental approach' are interchangeable terms in this context. Essentially, the terms are about a *process*, or a way of working with people, the hallmark of which is that it is participatory, interventionist, and bottom-up.

2. INTRODUCTION

The ATSIC Board believes this Inquiry is both timely and well focused. In recent years, the Commonwealth and state/territory governments have become increasingly aware of the critical role that “community capacity” has in determining the success or failure of governments’ policies, programs and service delivery designed to assist Indigenous peoples. Successive reports over the last fifteen years highlight the limitations of policies, programs and service delivery designed and implemented by governments.

Indigenous leaders, including ATSIC, have developed a renewed focus on the role of Indigenous community-based organisations in engaging community members (individuals, families and groups) in taking a proactive role in responding to the complex social and economic problems confronting them. The leadership and governance arrangements of these organisations are central to building “community capacity”.

Government and Indigenous leaders alike have developed a renewed focus on the respective roles of the public, private, and Indigenous community sectors in delivering services to Indigenous peoples and communities. There has been an openness to more critically examine the appropriateness and complementarity of the roles of each of these sectors.

ATSIC has reservations about the detail of the wording of the terms of reference. For example, outlining that the Committee will “*inquire and report on strategies to assist Aboriginals and Torres Strait Islanders better manage the delivery of services within their communities*” may give the impression that communities are entirely responsible for such service delivery, when in reality this is a shared responsibility requiring a new and innovative approach. It also raises interesting questions about the role of Indigenous community-based organisations:

- Do such organisations exist simply to manage the delivery of services efficiently and effectively on behalf of government agencies?
- Are community-based organisations a vehicle for building community capacity?
- How can community-based organisations be strengthened or supported to build community capacity?
- Are community-based organisations equipped to respond to the whole-of-government initiatives currently being trailed by governments?

ATSIC recognises and endorses the broader role of Indigenous community-based organisations, and believes that the integrated framework recommended in this Submission will reinvigorate community-based organisations in a way that will build human and social capital, as well as capacity.

In ATSIC’s previous interaction with the Inquiry Committee, the Committee challenged ATSIC to provide practical ways of enabling Indigenous communities to become full and active partners with governments and their agencies and engage with

the social, economic and governance environment as both *citizens* and as *Indigenous groups*. In this way, any recommendations can move beyond concerns about the efficiency and coordination of service delivery by Indigenous organisations to consider how government policies and resources can more effectively contribute to sustainable development in Indigenous communities. The key principles of sustainable development are explained at *Attachment A*.

The Council of Australian Governments' (COAG) framework for reconciliation and the agreed principles underpinning the specific initiatives has provided a starting point for such approaches.

The whole-of-government trials, Community Participation Agreements (CPAs), and the commitment to shared responsibility through partnerships between the Commonwealth, the states/territories and the Indigenous community all have the potential to contribute to systemic changes required for sustainable development. Indeed, mainstream public policy and community sentiment seem likely to concur, at least in some Indigenous communities, around the issue of welfare reform and mutual obligation.

Since the mid 1990s, a renewed focus on "community" as a key factor that shapes the relationship between citizens and governments has emerged. Individuals' obligations to their broader community have become a key element in articulating the Commonwealth Government's expectations of citizens. Non Government Organisations (NGOs) have taken on wider and stronger roles in involving citizens in mutually obligatory relations with government.

The definition of "community" is a contentious issue. It is the view of ATSIC that the focus at the Indigenous community or settlement level has to be on individuals, families, and small groups. This view echoes that of the COAG Communiqué 2000.

The current levels of dysfunction in many Indigenous communities and settlements, recorded across a wide range of indicators, suggest that much of the service delivery by mainstream agencies has done little to change the well being of Indigenous individuals, families and communities. These programs are by nature silo-based and ownership lies with outside the communities with agencies whose delivery methods are usually state or nationally based.

These agencies have historically exercised more power over decisions affecting communities, than communities have been able to exercise. Such approaches often have unintended consequences, and rarely build human and social capital. Indeed, there is evidence that program-specific responses, with their multiple compliance and standards regimes, contribute to the ongoing erosion of human and social capital and the diminishment of existing capacity.

The diversity and complexity of contemporary Indigenous societies and cultures point to the need for *location specific* responses by service delivery agencies in all jurisdictions. Such location specific responses should be driven by local and regional perspectives, through community and regional plans, and by formalising a shared partnership arrangement through agreement making, based on those plans.

3. BACKGROUND

On 21 August, 2002 ATSIC made an initial presentation to the Committee. ATSIC outlined its research over the previous three years, and its role in the context of a long, complex history of program service delivery, which has not been undertaken in any coherent strategy for sustainable development.

The incorporation of community-based organisations, including some local government councils, pre-dates ATSIC by over thirty years. Much of this incorporation process was reactionary in that there was no real strategy underpinning the proliferation of incorporated bodies. Indeed, incorporation often became the vehicle for organisations to secure resources for projects from program silos. Due to arguably culturally “inappropriate” structures, these organisations were frequently dominated by larger families. This whole process commonly did not contribute to social capital and, in fact, often undermined existing capacities. ATSIC made the point in its presentation that the effects of this history now have to be “undone”.

During the past three years, a concerted effort has been made in ATSIC to research and understand the limitations of service delivery. Despite significant allocation of resources to programs, indicators of Indigenous disadvantage have generally not improved.

ATSIC’s previous research shows that a *people-centred* developmental approach is required to build the human and social capital necessary for Indigenous participation in planning, organising and administering important programs, such as those for housing, infrastructure and economic development. These concerns and initiatives are also reflected in mainstream demands for holistic program service delivery, which builds capacity and responds to calls for regionalism, all of which is necessary to maximise the opportunities of achieving sustainable development. For instance, the Stronger Families and Community Strategy (SFCS) initiatives administered by the Department of Family and Community Services (FaCS) utilises the concepts and practices of asset-based community development in the FaCS mainstream service delivery.

International research has identified that building social capital is most effective when built up from existing stocks. The implication for the Indigenous domain is that a more effective building of social capital, including the creation of innovative forms of organisation, will occur if traditional organisation is effectively engaged to achieve this task. However, this is further complicated by the relative poverty of Indigenous people and their marginalisation from key planning and decision-making processes.

ATSIC believes that appropriate service delivery and a developmental approach are different and that these differences need to be understood by everyone involved in service delivery in Indigenous communities. Both are required, and the best outcomes are obtained when there is a synergy between the two. ATSIC outlines their developmental approach at *Attachment B*.

ATSIC met with the Committee on 18 September 2002. During this meeting, the following issues were highlighted by Commissioners:

- capacity building needed to lead to more effective community control and empowerment, founding on the strengths of communities;
- in some cases, these strengths would include customary law and the authority of traditional owners;

- matching Indigenous aspirations with appropriate and flexible government programs and service delivery which responded to real needs such as education, safety, security and health required more than simple yet efficient output delivery;
- agencies needed to take a locally responsive, coordinated approach and parliaments needed to provide bipartisan support;
- governments still controlled resources and determined the mode of service delivery, usually relying on a silo organisation of output delivery, thereby perpetuating impediments to holistic, whole-of-government activity;
- to maintain corporate credibility, ATSIC had continued a similar silo form of organising its programs;
- the potential in the Objects and Functions of the *Aboriginal and Torres Strait Islander Act, 1989* had never been realised, particularly those that implied sustainable development. The Board and the Committee discussed ATSIC's statutory role. They agreed that it was necessary to revisit the Objects of the ATSIC Act, of ensuring maximum Indigenous participation in the formulation and implementation of government policy; the promotion of self-management and self-sufficiency among Aboriginal persons and Torres Strait Islanders; and the economic, social and cultural development of Aboriginal persons and Torres Strait Islanders;
- it was emphasised that some specified functions flowing from these Objects – particularly the requirement to monitor the effectiveness of programs which resided in mainstream agencies – would require “more legislative teeth” and constitutional change; and
- institutional racism was identified as being inherent in program planning, particularly as it manifested in agencies as a patronising view of what might be best for Aboriginal and Torres Strait Islanders.

The Committee asked the Board to provide solutions to these issues and, in doing so, asked the Board to consider what changes ATSIC would like to make, what general directions would be preferred to take, what programs would be more appropriate, and what changes to ATSIC regional councils may need to occur to improve and strengthen their roles. The Committee asked if ATSIC needed more independence from government.

ATSIC elections prevented a coordinated Board response to these questions at the time. Since the presentation and meeting summarised above, the Government has formally announced the ATSIC Review, which has been exploring these questions with a range of stakeholders, including ATSIC.

One ATSIC recommendation is that the findings of the Inquiry into Capacity Building in Indigenous Communities so far be used to inform the ATSIC Review, and embed a capacity building focus in any “new” ATSIC. The Committee may also benefit from the deliberations of the Review Panel so far.

4. CAPACITY BUILDING – A PLATFORM FOR REFORM

Based on research and lessons learnt to date, ATSIC recommends a three-pronged integrated strategy for capacity building, which requires a bipartisan commitment by parliaments and long-term efforts by government agencies to reform. The strategy is essentially developmental and requires a commitment by Aboriginal and Torres Strait Islander individuals, families, and small groups, to engage with organisations and

governments. Governance reform in organisations delivering services to Indigenous peoples should become a major focus of this engagement. Such localised responses support local efforts to resolve dysfunction.

There is a need for local level planning processes that can better match 'vertical' sectoral resource supply systems with local level development planning so as to build integrated, 'horizontal' environmental, economic, social and governance *systems*. ATSIIC is proposing to develop a model of local level planning that:

- is participative, awareness raising and empowering;
- effectively incorporates or is compatible with concepts of mutual obligation and sustainable development;
- supports the development of greater economic self reliance, while working to reduce pervasive passive dependent and fatalistic attitudes;
- can be part of the processes of program and service delivery reform by better matching supply planning and coordination with the conceptualisation and measurement of local level need; and
- integrates community planning with the regional planning at ATSIIC regional council level.

The development of local consensus and clearly articulated positions on community issues would greatly assist program efforts to be locally responsive and environmentally and spatially appropriate. Improved planning at the local level would greatly enhance the innovative work being done in some program areas. It remains critical that an acknowledgement be made that capacity building is not just a matter for Indigenous peoples alone, but for organisations and governments to engage with and support.

If the achievement of sustainable communities is to be progressed, capacity building activities have to be undertaken simultaneously in all three areas of community, organisations and government in an integrated strategy.

ATSIIC's capacity building strategy, outlined below, builds on the initial presentation to the Committee. One critical factor which must underpin the strategy is the internal capacity building within ATSIIC (and ATSIIS) and the wider bureaucracy to understand, support, and manage a developmental engagement with communities. ATSIIS has begun this process by signing a Memorandum of Understanding with Oxfam Australia to develop and trial training modules for staff in three regional offices by the end of 2003. Based on lessons learnt over the past three years, these modules are designed to assist staff understand, support, and manage contracts for developmental engagements with communities in the Australian context, rather than undertake developmental work themselves.

The capacity building strategy provides a framework for the types of activities to be undertaken at each level or tier of activity in community, organisations, and governments. At the community and community-based organisation level, detailed strategies would need to be built on situational analyses that are part of the local level planning process outlined above. For all three areas, broad methodologies can be identified, which are detailed after the table that follows.

**ATSIC'S INTEGRATED CAPACITY BUILDING FRAMEWORK
FOR SUSTAINABLE DEVELOPMENT**

LEVEL OR TIER OF ACTIVITY	METHODOLOGY "HOW TO"
COMMUNITY	Focus on Empowerment:
Individuals	Traditional Community Development methodologies such as: ABCD Asset Based CD (Kretzmann) NGDO Best Practice
Families	
Extended Families/Clans	
Small Groups	
Non Incorporated Organisation (with Private Interests)	
	<i>These are essentially participative interventions.</i>
ORGANISATIONS	Focus on Governance:
Community-based Organisations (Incorporated, with Public Interests)	Harvard Project – American Indians (First Nations Approach)
Resource Agencies	NGDO Best Practice
Native Title Rep Bodies	Community Participation Agreements (ATSIC/ATSI)
Local Government Authorities	ORAC legislative reforms and initiatives
Land Councils	<i>These align organisation structures to Indigenous decision-making processes.</i>
GOVERNMENTS (INCLUDING STATUTORY BODIES)	Focus on Integration:
	Whole of Government
Regional Commonwealth Agencies	<ul style="list-style-type: none"> • ICCT Community Trial Sites • DoTARS Sustainable Regions
Regional/State/Territory Agencies	
State Governments	Bilateral or other Agreements based on Regional/Community Plans
Commonwealth Government	
Commonwealth Agencies	
COAG	Corporate Plan
ATSIC Board of Commissioners	
ATSIC Regional Councils	
S13 Committees (SAC)	
	<i>These will lead to homogenous policies programs and procedures driven by joint strategic planning rather than submission based interventions.</i>

In Community – The focus on empowerment at this level indicates that participative community asset development techniques are most appropriate for work with individuals, families and small groups, often incorporating micro-economic

activities. Family/clan planning could also include participation in situational analyses, demographic projection and feasibility assessment of economic development aspirations. These approaches mean local responses to local issues and active involvement in identifying problems and contributing to solutions.

In Community Organisations — The focus on governance at this level reflects the public interests of incorporated bodies, often engaged by government agencies to deliver services on their behalf to individuals, families and small groups. The *potential* of community-based organisations as vehicle for community capacity building depends good governance, including how representative they are of the individuals, families and small groups (with their *private* interest) that make up “community”. Negotiation of roles and responsibilities between organisations, and between organisations and kinship based groupings, is a critical aspect of organisational reform. Changes to legislative and regulatory frameworks are required to enable culturally appropriate forms of governance. Community-based organisations that are accountable to both community members and government, are most appropriate at community level.

In Government – whole-of-government engagement with whole-of-community would build on the emerging capacities within communities and constituent groups, as well as government agency representatives, and allow flexible service delivery across coordinated agencies in all jurisdictions. Agencies would deal with communities in structured planning environments. (Sec.13 and Sec 94 of the ATSI Act, 1989 are critical in the application of this strategy).

To progress the use of the framework, ATSI has and will continue to implement a range of strategies, which include:

- building internal capacity to understand, support, and manage a developmental approach;
- partnering with appropriate NGOs on developmental activities
- implementing program reform;
- advocating the adoption of the framework with other agencies and governments.

ATSI will require support from the Committee in advocating the adoption of the framework.

5. CAPACITY BUILDING INITIATIVES TO DATE

In addition to ATSI’s research into the potential of internationally investigated and applied development approaches, the capacity building initiatives identified below have been implemented in specific program areas of ATSI. The present Submission aims to support and enhance these efforts through integration and local level ‘tailoring’.

5.1 Native Title Representative Bodies

The individuals, families and clan groups who are Native Title claimants are represented by Native Title Representative Bodies (NTRBs). These Aboriginal Organisations have statutory powers and functions recognised under the Commonwealth Native Title Act, 1993. ATSI funds NTRBs under the Native Title Act to perform their statutory functions. The impact of the 10 Point Plan amendments to the Native Title Act, 1993 on NTRBs was significant in a number of ways.

However, by far the most difficult challenge posed by the amendments was the requirement that existing NTRBs transform themselves from community-based organisations to professional service delivery agencies – to build their capacity to represent claimants more effectively. The transition is not yet complete. It will be an ongoing challenge and one required of all NTRBs without favour.

The amendments imposed statutory functions on representative organisations and increased their responsibility for achieving more effective governance, including improved performances in financial, organisational, managerial and operational matters. In line with these responsibilities, NTRBs were required for the first time to produce strategic plans and annual reports to a standard that enabled their tabling in the Commonwealth Parliament. Despite the difficulty of the task, all NTRBs met these requirements.

Undeniably, these achievements represent gains across the NTRB system, which will ultimately benefit claimants. The process of developing such accountability and planning instruments has laid the foundation for the further steps toward effective organisational performances and sustainable outcomes in native title. However, ATSIC is aware that the process of change is difficult and problematic for many organisations with origins in community-based structures. These difficulties were intensified by the additional workloads flowing from the amendments.

Another factor impacting on these capacity building initiatives is the appropriate resourcing of NTRBs. The Commonwealth Government recognised that to progress claims in a timely manner the whole native title system needed increased funding. Supplementary funds were provided in the 2001-02 Budget to ATSIC, the Federal Court, the National Native Title Tribunal, and the Attorney-General's Department. ATSIC's funding (\$11.4m over four years) was directed specifically to a Capacity Building Program for NTRBs. The program has been implemented annually on a national basis with a requirement by Government for outcomes as well as mid-year reviews within those NTRBs accessing capacity building funds.

ATSIC ran the Noosaville NTRB Leaders Forum (November 2001) where capacity building priorities were identified as follows:

- corporate governance;
- management and staff development;
- information technology;
- collaborative research partnerships; and
- applied capacity building.

The priority areas identified are designed to build the capacity of NTRBs as professional service delivery agencies so as to ensure the protection and recognition of native title rights and interests for Aboriginal people. Increasing organisational capacity includes its membership, committees and staff. This will have the resultant impact of increasing the capacity of these people as individuals to use these native title rights to benefit themselves, their families and community groups.

5.2 National Housing and Infrastructure Centre (NAHS CHIP)

A summary of an important program initiative aimed at improving the capacity of Indigenous community housing organisations and involving Indigenous peoples in planning and service delivery is available on request.

This initiative emanates from the policy document *Building a Better Future: Indigenous Housing to 2010 (BBF)* agreed to by Housing Ministers in May, 2001. This is another example of a whole-of-government initiative.

5.3 Office of Registrar of Aboriginal Corporations

In 1999, ATSIC initiated the development of the *Indigenous Organisations Training (IOT)*. The responsibility for this training package has been transferred to the Office of Registrar of Aboriginal Corporations (ORAC), and is currently being piloted. This “enhanced training” is directed at Indigenous Directors and Boards of Indigenous organisations with the specific aim of improving governance through accreditation against key competencies. A project overview is available on request.

These three initiatives are centred on essential “training”, which is only part of a total capacity building strategy. They are technical in nature. ATSIC and ATSIIS will incorporate these initiatives into their overall capacity building strategy. For example, the ORAC Indigenous Organisations Training package is about improving the governance of organisations, but ORAC reforms to legislation will have wider implications and a longer-term impact.

6. OTHER CAPACITY BUILDING INITIATIVES

ATSIC is actively seeking to engage with a range of other stakeholders involved in capacity building initiatives. Our strategy, outlined above, is broad and capable of incorporating best practice and lessons learnt from other initiatives in all three tiers of activity.

Examples of ATSIC’s engagement with other initiatives are outlined below.

6.1 The Council of Australian Governments (COAG)

COAG is an important mechanism for providing leadership regarding capacity building for sustainable development. Past initiatives aimed at improving service delivery in Indigenous communities include:

- 1992 National Commitment to Improved Outcomes in the Delivery of Programs and Service for Aboriginal Peoples and Torres Strait Islanders;
- 2000 Communiqué – 3 key priority areas in a framework for practical reconciliation; and
- 2002 whole-of-government trials.

The 1992 National Commitment, whilst superseded by the 2000 and 2002 initiatives, has not been reviewed. Current initiatives and thinking would benefit from an analysis of achievements and lessons from that exercise.

ATSIC recommends that the Committee commend the framework and development approaches in this Submission to COAG for consideration, as a means of placing the 2000 and 2002 initiatives in a broader context to focus future COAG initiatives.

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

In late August, 2002, a capacity building forum was convened by the Standing Committee of Officials and ATSIC in Brisbane to establish a definition of capacity building. Jurisdictions and community case studies were shared, and a report and

recommendations from the forum went to MCATSIA in September. MCATSIA formally endorsed a community perspective of capacity building, and corresponding government approaches to support this.

MCATSIA's agreement to advise COAG to endorse the mechanisms and approach will have implications for all government agencies, interdepartmental committees, and the development of Ministerial action plans if and when COAG adopts MCATSIA's recommendation.

6.3 Department of Transport and Regional Services (DoTARS)

ATSIC has engaged with DoTARS on its Sustainable Regions Program Whole-of-Government Network. ATSIC provided statutory regional council plans from the relevant ATSIC regions to the Network in order to provide a basis for engagement with the agencies and the eight advisory committees set up under the program.

6.4 Philanthropic and Corporate Sectors

A conference convened jointly by Reconciliation Australia, the Whitlam Institute, and the Fred Hollows Foundation in 2002, highlighted the contribution these sectors make to Indigenous peoples and the increasing representations made to them directly by communities. The conference explored the risks and difficulties confronting these sectors of using a finite pool of funds to the greatest effect. Their preoccupations are similar to ATSIC's/ATSIS's: how to achieve long-term, sustainable benefits with limited resources.

A great deal can be learnt by drawing on international experience, sharing information and knowledge, and working in partnership. ATSIC and ATSIS encourage the Committee to acknowledge and support the contribution these sectors make to capacity building in Indigenous communities, and their future potential.

7. CONCLUSION

No one has all the answers. The solutions, which contribute to long-term, sustainable development, will come from sharing knowledge and information about what works on the ground.

ATSIC's May, 2001 discussion paper, '*Changing Perspectives in ATSIC – From service delivery to capacity development*' made the summations listed below.

- Capacity building and development are strategies; they are the means, not the end.
- There is no one set of strategies, which can provide the whole answer. There are questions of autonomy, geographic locality, economic viability, social dysfunction, diversity, decentralisation, and many other issues not dealt with in this discussion, and for which strategies must be devised over time. The paper advocates a shift in focus, rather than prescribing a replacement set of procedures.

In addition, that paper outlined several shifts in focus, which included:

In analysis, from emphasis on projects to emphasis on systems;
In practice, from emphasis on output to emphasis on impact; project

assessment, management and evaluation is driven by impact;
In structure, from emphasis on hard or program elements to the understanding of the need to encompass soft or process elements;
In aim, from emphasis on sustained dependency to an emphasis on independence and sustainability.

In short, there is a great need to become end-focused rather than means-centred. This is the challenge for ATSIC, and the challenge confronting every other agency and organisation delivering services to Indigenous peoples. It is the essence of building capacity within the organisational and agency domains. ATSIC's strategy, which provides a framework to implement a range of capacity building activities presented in this Submission, is recommended to the Committee as an integrated approach, which will lead to sustainable development and improvements to Indigenous people's wellbeing, over the long term, if it is adopted by all governments and its agencies.

8. RECOMMENDATIONS

ATSIC anticipates that the Committee's Report will support capacity building activities at community, organisation and government levels. What is less clear is the question, "Capacity building for what end?" The ATSIC view is that the goal should be improved wellbeing and sustainable development.

ATSIC will continue to implement a range of internal strategies, within the integrated capacity building framework for sustainable development, as outlined in this Submission. ATSIC will influence external stakeholders involved in policy, program and service delivery to Indigenous communities to consider and adopt the framework, but asks that the Committee assist in this task. In recognition of the diversity and complexity of contemporary Indigenous societies and cultures, ATSIC's recommendations to the Committee are listed below:

Recommendation 1

Adopt ATSIC's integrated capacity building framework for sustainable development, and advocate its consideration and adoption by:

- COAG
- all those involved in policy, program and service delivery in Indigenous communities

*including the developmental approach outlined at **Attachments A and B.***

Recommendation 2

Recognise and endorse the broader role of Indigenous community-based organisations as vehicles for community capacity building, using the ATSIC framework to reinvigorate community-based organisations in a way that will build human and social capital, as well as capacity.

Recommendation 3

Advocate for a long-term bipartisan approach by governments to capacity building for sustainable development in Indigenous communities and organisations, whilst recognising the need for short/medium term interventions, which address symptoms of disadvantage and dysfunction.

Recommendation 4

Recognise the integral role of ATSIC regional planning processes and advocate the need for location specific responses by service delivery agencies in all jurisdictions using these plans. Such location specific responses include formalising shared partnership arrangements through agreement making, based on those plans.

Recommendation 5

Recognise the importance of alliances and/or partnerships with government and NGOs.

Recommendation 6

Encourage program reform which includes strategies for Indigenous participation in the planning, organisation and administration of programs and delivery of services affecting their wellbeing and development, in recognition of ATSIC's previous research, which shows that a people-centred developmental approach is required to build the human and social capital, and capacity.

Recommendation 7

Share your Committee's findings with the ATSIC Review Panel.

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KEY PRINCIPLES FOR SUSTAINABLE DEVELOPMENT

Current research about sustainable development combines two main streams of theory, policy, practice, evaluation and learning.

- One stream is about achieving lasting economic and social development for nations as well as for groups and regions within them. Important for colonised peoples, this has included a repudiation of theories that advocated simply copying the cultural ways of colonisers by more informed views of cultural difference and social change, as well as recognition of the critical role that the development of human and social capital play in fostering economic development.
- The second stream has grown from international concern over the declining ability of the natural environment to produce and recycle the materials and maintain the integrity of systems so essential to life itself. For instance, the 'eco-development school' advocates a focus on particular groups of people — with their attendant values, needs and characteristic systems — living in a particular 'eco-regions'. The goal of development is to improve that particular situation, with no pre-determined models of development.¹

The sustainable development of a particular eco-region therefore demands the efficient use of the resources which happen to exist in that particular area, in a way that both sustains the ecological system (upper limit to resource use), while providing the people living there with their human needs (lower limit of conservation practice). This form of development can include exchange with other regions, so long as the principles of sustainability are complied with.² In Australia, less radical elements of this approach have achieved acceptance within many mainstream Australian institutions and are being embodied into a number of regional environmental planning and management approaches.

However, as far as Australian Indigenous peoples are concerned, government policies and programs have rarely been based on principles derived from these two streams of thinking about sustainable development. As a result, the dominant approaches have consistently underestimated the complexity of local, historically-derived situational disadvantage and have generally only responded to the nationally-generalised, politically-selected *symptoms* of disadvantage.

If more sustainable forms of Indigenous development are to be achieved, it makes sense to draw on the body of theory and practice now represented by the confluence of these two streams. From this considerable body, a number of key principles can be identified to inform *capacity building for sustainable Indigenous development*:

- people — situated within their cultures and their locality — are central to the development process;

¹ Hettne, B. (1995) *Development Theory and the Three Worlds* Essex: Longman p.190

² Hettne, B. (1995) *Development Theory and the Three Worlds* Essex: Longman p.190

- there is no simple recipe for sustainable development but *congruent development* across the environmental, economic, human and social dimensions has been found important;
- thus *situational analysis*, as part of a framework of planning, is critically important and should covering all the dimensions of development;
- the principle of *subsidiarity* recognises that it is not effective to plan every issue at every level — rather some issues are best planned and implemented at a local level, some at the regional level, some at the state and national level and so on;
- genuine and appropriate *participation* of relevant stakeholders is critically important, with their contribution progressively built on the basis of an understanding of the role of local knowledge and social capital and how to ‘grow’ both; and
- because actual *impacts* do not always reflect planned outcomes, *evaluation and learning* about the relationship of outputs with outcomes and impacts is extremely important, as is the congruency of outcomes between the major dimensions (for example, what kinds of human development outcomes are congruent with planned economic development outcomes and so on).

KEY PRINCIPLES OF DEVELOPMENTAL APPROACH

Capacity building, capacity development, community development, and sustainable development are popular, but contentious terms. In ATSI/ATSIS, these terms are interchangeable, with “developmental approach” being preferred to incorporate a range of methodologies used in third and fourth world contexts.

Development work begins with the development of *people*, and its object is to develop individual capacity to improve well being, and make sustainable lives, contributing to community capacity in the process. Essentially it is participatory, bottom-up, and characterised by working “with” people rather than “for” or “to” them.

Development work is, therefore, equality based, and has *process* as outcome. It is specific to the people in the place where the work occurs, and therefore, unique or non replicable, although process methodology is consistent between locations.

The methodology used by Oxfam Australia usually has five broad cycles, including:

Implicate method cycle	Central purpose – positioning self
Micro method cycle	Central purpose – building relationships
Mezza method cycle	Central purpose – strengthening groups
Macro method cycle	Central purpose – establishing organisations
Meta method cycle	Central purpose – making local/global linkages

but is characterised by a folding process of one cycle into another.

The Kretzmann & McKnight Asset Based Community Development methodology concentrates on building communities from the inside out, by firstly mapping what capacities exist and then building on them. This type of mapping, or profiling, is also a characteristic of the Oxfam Australia methodology of undertaking situational analyses as part of any development work.

According to the UNDP, capacity development is “*the process by which individuals, groups, organisations, institutions and societies increase their abilities to (1) perform core functions, solve problems, define and achieve objectives, and (2) understand and deal with their development needs in a broad context and in a sustainable manner*”

In an ATSI Discussion Paper developed in 2001, the ambiguity around terminology was explored, and a preference for the UNDP definition was expressed. According to the UNDP *‘the emphasis [should be] more on capacity development than on capacity building since considerable capacity already exists. Hence more attention [can be] paid to further developing existing capacity than on building new capacity. Moreover, the emphasis is on a development process rather than on the completion of a building activity’*”.

‘Sustainable development’ implies the movement towards a sustainable improvement in quality of life across economic, social, cultural and political realms. Attachment A outlines the key principles of sustainable development.

Implementing a development approach at community level means that individuals, families, and small groups identify their private aspirations, needs and priorities, through an appropriate and supportive process, which involves planning. They are supported in achieving these over time, with appropriate resources. This process nurtures emerging leaders, who may then become involved in community-based organisations working for the public interest.

A development approach recognises the importance of community-based organisations as potential catalysts for community capacity building, through a focus on governance, which builds Indigenous decision-making processes into structures.

The ATSIC research and experience suggest that government agencies, involved in service delivery, do not generally employ development workers. The challenge, therefore, is how a government agency becomes developmentally focused, and how its programs and methods of service delivery are changed and supplemented to stimulate community capacity building.