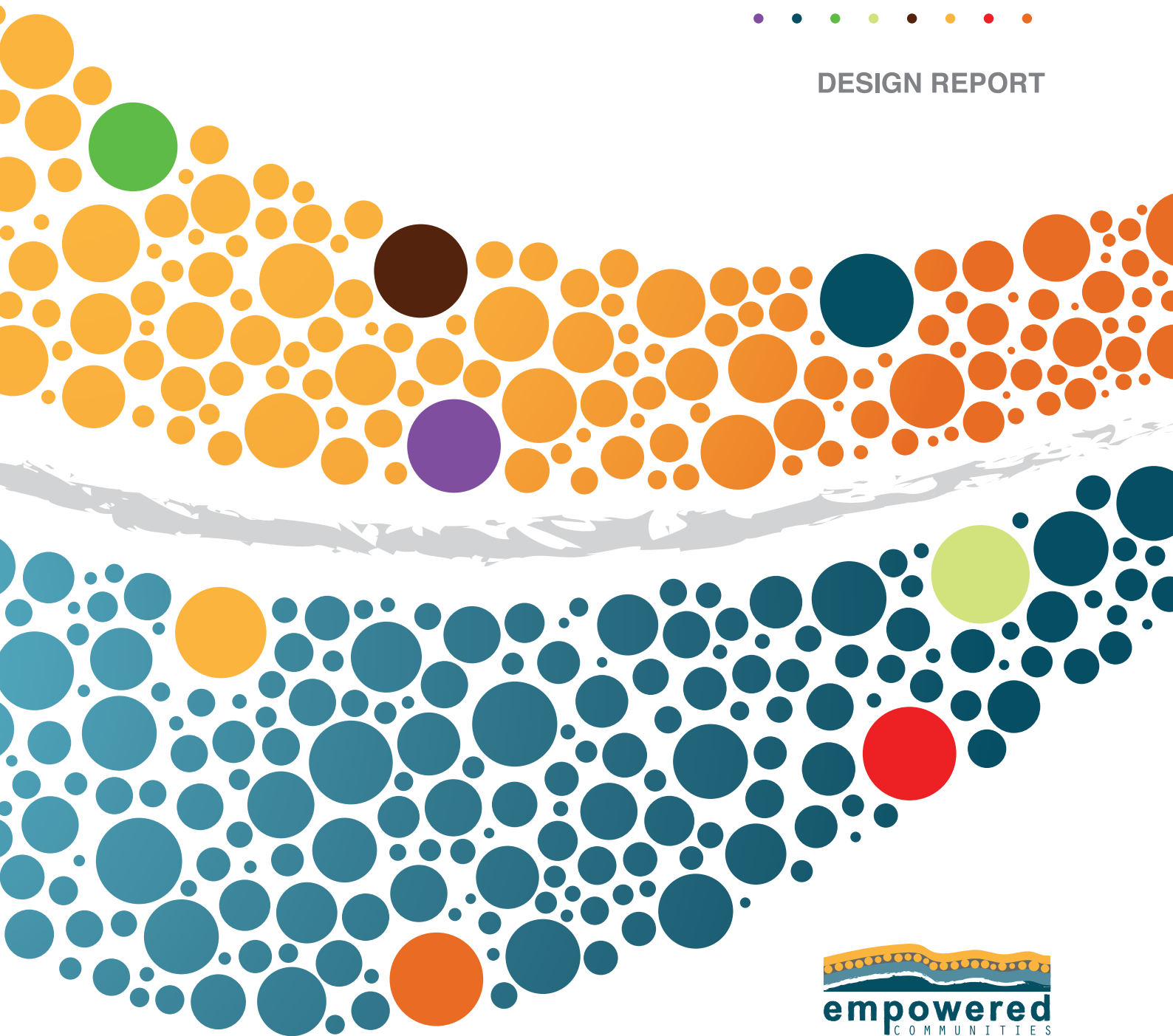


Empowered Communities: Empowered Peoples



DESIGN REPORT



Empowered Communities: Empowered Peoples



DESIGN REPORT



© Wunan Foundation Inc. 2015

ISBN 978-0-9942155-1-2 (print)
978-0-9942155-2-9 (online PDF)

Creative Commons licence

Except where otherwise noted, all material presented in this document is provided under a Creative Commons Attribution–Non-Commercial-NoDerivs 3.0 Australia licence (<http://creativecommons.org/licenses/by-nc-nd/3.0/au>). The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY-NC-ND 3.0 AU licence (<http://creativecommons.org/licenses/by-nc-nd/3.0/au/legalcode>).



This document should be attributed as:

*Empowered Communities: Empowered Peoples
Design Report*

Disclaimer

Aboriginal and Torres Strait Islander peoples should be aware that this report may contain images or names of people who have since passed away.

The members of the leadership group and their employees, officers and agents and the members of the Empowered Communities engagement and design teams accept no responsibility for any loss or liability (including reasonable legal costs and expenses) incurred or suffered where such loss or liability was caused by the infringement of intellectual property rights, including the moral rights, of any third person, including as a result of the publishing of materials contributed to this report.

The publisher has no responsibility for the persistence or accuracy of URLs for external or third-party websites referred to in this report, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Inquiries

Inquiries on the licence and any use of this document are welcome by contacting:

Engagement Coordinator

PO Box A199

Sydney NSW 1235

Email: info@empoweredcommunities.org.au

This document is available online at www.empoweredcommunities.org.au.

Editing, design and artwork by Wilton Hanford Hanover

Printed by Prinstant, Canberra

Empowerment

There needs to be a fundamental shift away from the traditional social policy framework in which Indigenous affairs has been conducted, to a comprehensive Indigenous Empowerment agenda. It is a long-term reform that requires a new partnership of Indigenous leaders, governments and corporate leaders in order to succeed, with all partners prepared to play their roles in a different way. We seek formal agreement to a 10-year Indigenous Empowerment policy framework.

Empowerment, in our meaning, has two aspects. It means Indigenous people empowering ourselves by taking all appropriate and necessary powers and responsibilities for our own lives and futures. It also means Commonwealth, state and territory governments sharing, and in some cases relinquishing, certain powers and responsibilities, and supporting Indigenous people with resources and capability building.

The principle of subsidiarity—that authority to decide and act should rest at the closest level possible to the people or organisations the decision or action is designed to serve—is an important element in our concept of Indigenous Empowerment. Together with Indigenous self-determination and the mutual rights and responsibilities shared between Indigenous people and governments, it is at the heart of our Indigenous Empowerment reforms.

Our Indigenous Empowerment framework is based on the premise that Indigenous Australians have a right to development, which includes our economic, social and cultural development as families, individuals and communities and as Indigenous peoples. It recognises the primacy of the local nature of peoples and places, and is aimed at the empowerment of the families and individuals connected to those peoples and places. We recommend national and regional institutions only to support an enabling framework for place-based development agendas.

There are two parts to our development goal. They are each of equal importance, and are to be pursued concurrently and constantly tested to determine whether we are most productively using available resources and opportunities.

First, our goal is to close the gap on the social and economic disadvantage of the Indigenous Australians of the Empowered Communities regions.

Second, we aim to enable the cultural recognition and determination of Indigenous Australians of the Empowered Communities regions so that we can preserve, maintain, renew and adapt our cultural and linguistic heritage and transmit our heritage to future generations.

Contents

Empowerment iii

Part 1: Empowered Communities reforms 1

1 Introduction: Moving to Indigenous Empowerment 5

Where we are 5

One-eyed hobby horses 7

The elephant and the mouse 7

Remote, regional and urban communities are different contexts
but the key challenges are common 8

Whither we are tending 9

What to do 10

The right policy is Empowerment 11

The right goal is Development 13

The right means is Productivity 13

Getting the reform policy right 14

Getting the leadership behind reform 15

Getting the incentives supporting reform 16

Long-term alignment and compliance 17

Driving delivery 18

2. Reform policy: Getting the empowerment, development and productivity reform policy right 19

What is meant by Empowerment 19

Mutual responsibility 21

Self-determination 21

Subsidiarity 22

What is meant by Development 23

A model for development 24

What is meant by Productivity 25

Reform principles 27

The reform framework 28

National policy agreement and legislation 28

Development agendas and accords 28

First priorities agreements 29

The Empowered Communities regions 30

The opt-in principle 30

The paradigm shift 31

The reform funnel 31

It's about the long term 32



3. Reform leadership: Getting Indigenous leadership behind the reform policy and regional and local development agendas	33
Leadership agreement and partnership	33
Getting the partnership right—governments and Indigenous peoples	33
Local to regional	34
Regional to national	35
Indigenous leadership	35
A pervasive Indigenous leadership is required	36
The adaptive challenge of Indigenous leadership	36
Cultural leadership	38
Natural leadership	39
Organisational leadership	39
Educated leadership	39
Supporting and building an Indigenous reform leadership	40
Government as enabler	41
Inside-out, not top-down or bottom-up	42
Three voices to provide the basis of collaboration	43
The Empowered Communities leadership	44
Local and regional governance	45
Regional governance arrangements	46
Backbone organisations	48
A leadership group and cultural authority	48
Regional interface mechanisms	48
Toward a national representative body	49
4. Incentives supporting reform: Aligning incentives and investing in development agendas, not just programs	50
Five systemic funding problems in Indigenous affairs	50
Expenditure growth without outcomes cannot be tolerated	50
A supply-driven approach	52
Industries of dependence	55
Red tape and a plethora of disconnected programs	57
No transparency of funding flowing through government to Indigenous people	58
The reforms needed	59
Addressing shortfalls in the Indigenous Advancement Strategy	59
Investing in Indigenous-led, place-based development agendas	60
Transparency over all regional and local spending	60
Pooled funding to support place-based development agendas	61
Directing funds outside the pool	62
Alignment and collaboration	63



Indigenous people, leaders and organisations increasingly driving development	64
Funder, purchaser, provider	65
Vouchers	66
Purchasing and co-purchasing	66
Linking incentives to results for Indigenous people—the ‘race to the top’	68
Incentivising individuals and families through direct opportunity investments	69
Lessons from welfare reform	70
Providing an alternative to welfare—an Opportunity Support System	72
The right to development	74
Investing in innovation	75
Incentives for governments	76
5. Long-term alignment and compliance: An Indigenous Policy Productivity Council overseeing Indigenous Empowerment	77
The problem of ‘chopping and changing’	77
National policy	78
The Indigenous Policy Productivity Council	79
Scrutinise policy and programs that significantly impact on Indigenous people	80
Facilitate the negotiation process for development accords (investment agreements)	80
Mediation and expert determinations	81
Productivity Commission inquiries into specific policy questions	82
Publicly report on the regions on an annual basis	83
Governance and organisation of the council	83
A staged approach to legislation	84
Legislation to give effect to the institutional framework of Empowered Communities	84
Other regions opting in to Empowered Communities	84
6. Conclusion: Driving delivery—organisational arrangements, adaptive practice, and monitoring and evaluation	85
Implementation is the key to successful policy	85
Establishing organisational arrangements to ensure delivery	85
Delivery units	85
The Department of the Prime Minister and Cabinet	86
Empowered Communities regions	87
Institutionalising delivery	87
First priorities agreements	87
Delivery plans	88
Design and innovation labs	88
Government as enabler	89
Driving delivery	89
Adaptive practice	90



Monitoring and evaluation	90
Longitudinal survey data focusing on individual and family development	91
Selective case studies	91
Putting a monitoring and evaluation framework in place	92
Establishing baselines	92
Ensuring monitoring and evaluation capacity across the system	92
Local knowledge managers	93
Central monitoring and evaluation coordination	93
Independent expert advice	93
Information systems to support monitoring and evaluation	94
Reporting	95
Closing comments	96
Recommendations	97
<hr/>	
Part 2: Empowered Communities regions	109
Cape York	111
Central Coast, New South Wales	119
East Kimberley	125
Goulburn-Murray	131
Inner Sydney	137
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Lands	143
North-east Arnhem Land	150
West Kimberley	158
<hr/>	
Appendix A Empowered Communities Steering Committee	165

EAST KIMBERLEY



Desmond Hill
CEO
Kununurra Waringarri
Aboriginal Corporation

Ted Hall
Chairperson
Gelganyem Trust

Ian Trust
Executive Chair
Wunan

NORTH-EAST ARNHEM LAND



Denise Bowden
CEO
Yothu Yindi
Foundation

**Balupalu
Yunupingu**
Board Member
Gumatj
Corporation Ltd

**Gabirri
Collins-Yunupingu**
Board Member
Yothu Yindi
Foundation

WEST KIMBERLEY



Anthony Watson
Chairman
Kimberley Land
Council

Marty Sibosado
Managing Director
Nirumbuk Aboriginal
Corporation

Nolan Hunter
CEO
Kimberley Land
Council

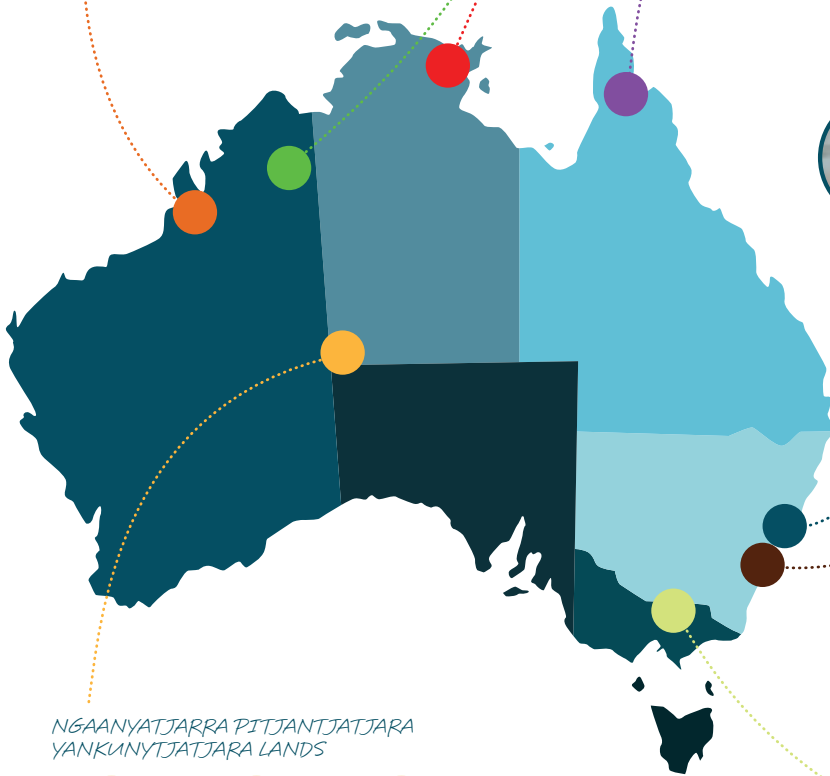
CAPE YORK



Fiona Jose
General Manager
Cape York
Partnership

Noel Pearson
Director of Strategy
Cape York
Partnership

Richie Ah Mat
Chairman
Cape York
Land Council



CENTRAL COAST NSW

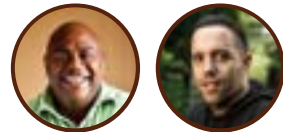


Sean Gordon
CEO
Darkinjung
Local Aboriginal
Land Council

Joshua Toomey
Chairperson
Darkinjung
Local Aboriginal
Land Council

Suzanne Naden
CEO
Bungree Aboriginal
Association
Incorporation

INNER SYDNEY



Shane Phillips
CEO
Tribal Warrior
Association

Chris Ingrey
CEO
La Perouse Local
Aboriginal Land Council

NGAANYATJARRA PITJANTJATJARA
YANKUNYTJATJARA LANDS



Nyunmiti Burton
Vice Chairperson
NPY Women's
Council

Ingrid Simms
Chairperson
NPY Women's
Council

Andrea Mason
CEO
NPY Women's
Council

GOULBURN-MURRAY



Kevin Williams
Chairperson
Njernda Aboriginal
Corporation

Paul Briggs
Chairman
Kaiela Institute



Part 1

Empowered Communities reforms

Our vision is straightforward

'We want for our children the same opportunities and choices other Australians expect for their children. We want them to succeed in mainstream Australia, achieving educational success, prospering in the economy and living long, healthy lives. We want them to retain their distinct cultures, languages and identities as peoples and to be recognised as Indigenous Australians.'

Nolan Hunter (West Kimberley)

Ungi jawal!

I am a Bardi man from saltwater country on the Dampier Peninsula in northern Western Australia. My senior elders taught me about my people and the value of our language, law and culture. Today these values underpin our cultural governance and the way we do business. The key to Empowered Communities is that it reflects the unique values, goals and vision of each of the regions while enabling us to learn from and inspire each other.

I am an active campaigner for Indigenous native title rights and management of country. I strongly support the development of sustainable business enterprises based on Aboriginal cultural values as a way to generate wealth in remote communities.

'I believe Empowered Communities is integral to enabling social change and creating positive futures through putting our people in the driver's seat to make the decisions that affect our futures.'
— Nolan Hunter, CEO, Kimberley Land Council

Andrea Mason (NPY Lands)

Palya!

I joined the Women's Council in 2008 and since then I have been committed to delivering long-term positive change in the communities across the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Lands. Prior to joining NPY Women's Council, I spent significant periods working in both the Australian and South Australian public sectors.

I am a proud Western Australian, my mother's people are Karonie and my father's people are Ngaanyatjarra. I have family and extended family throughout the NPY region. I am looking forward to the genuine partnership that Empowered Communities will create between Indigenous people and governments. I see this chance for real change.

'Empowered Communities seeks to create a genuine and balanced partnership between Indigenous organisations, government and corporate Australia, where everybody is working together on a level playing field and towards a shared strategy.' — Andrea Mason, CEO, NPY Lands Women's Council, Central Australia

Denise Bowden (North-east Arnhem Land)

Nhemarri!

I am a born-and-bred Northern Territory Indigenous woman. I have a background working in Indigenous affairs in very remote Australia and currently work with the Yolngu of north-east Arnhem Land. I aspire to create a future where Indigenous Australians have the same level of wellbeing, life opportunities and choices as non-Indigenous Australians.

I believe that Empowered Communities has the potential to create this change by focusing on education, economic development and increased wellbeing through a grassroots, upward, regionally specific approach.

'The one-glove-fits-all policy approach is not practical when I compare north-east Arnhem Land to other regions.' — Denise Bowden, CEO, Yothu Yindi Foundation

Chris Ingrey (Inner Sydney)

Ngagganbi!

The recent participation of the younger generation in the La Perouse Aboriginal community has been inspiring to me. I believe my community is in a great position to continue to work towards exercising self-determination and develop health, education, housing and employment opportunities into the future. I see Empowered Communities as the vehicle that will drive this development.

I am of Dharawal (Botany Bay and Illawarra, New South Wales) and Dhungutti (Macleay Valley, New South Wales) descent and my work at the La Perouse Local Aboriginal Land Council means I am very involved in my community. I am excited about what is coming with Empowered Communities; I am excited that our community will get a say in our future.

'Empowered Communities is enabling us to sit down and shape what our future will be. We are planning for what we want our community to look like in 15 or 20 years, something we have never done before.' — Chris Ingrey, CEO, La Perouse Local Aboriginal Land Council

Shane Phillips (Inner Sydney)

Yaama!

I was born and raised on The Block. After the death of a teenager at the hands of the police in the Redfern riots in 2004, I wanted change. I became heavily involved in my community and wanted more for my people.

Through my work at the Tribal Warrior Association, I have seen the Redfern Aboriginal community make so much progress. Through Empowered Communities, however, I believe that by forming an alliance with LaPa we have the ability to change even more lives. I believe in the strength of our communities and the importance of being involved in my community. I am a life member of the Redfern All Blacks Rugby League Club and coordinator of the monthly Family Day on The Block.

'[We want] to take ownership of our destiny and our own organisations and community and push the issues from the bottom up.' — Shane Phillips, CEO, Tribal Warrior Association



Paul Briggs (Goulburn-Murray)

Te nhurrag!

I am a Yorta Yorta man who was raised on the banks of the Dungala at Cummeragunja. I understand the aspirations of the great Yorta Yorta leaders who came off Cummera to advocate the rights of our people. For me it has been natural to advocate for a more prosperous future, protecting the rights of Yorta Yorta people and other Aboriginal nations.

Since the early 1970s, I have been active in Aboriginal rights and advancement of our people. Starting with my experiences trying to negotiate the criminal justice system, I could see that to make a genuine difference in the lives of our young people required us to move beyond the cycle of bureaucracy and crisis intervention to building a real vision of a positive future for our community. For me, Empowered Communities is an opportunity to negotiate a shared vision for the future of an inclusive and respectful Australian society.

'We are faced with assimilation if we don't develop an economic vision and strategies for our collective futures.' — Paul Briggs, Chair, Kaiela Institute

Ian Trust (East Kimberley)

Jarrag Yarrim!

For most of my life, I have been based in the East Kimberley and I currently serve as the chairman and executive director of Wunan Foundation. I have an exciting vision of a better future for Aboriginal people in the East Kimberley—a future beyond welfare and government dependency.

In the past, I have worked to progress this vision through initiatives like the ATSIC Regional Council's 'future building' strategy and through reforms in the Aboriginal housing and infrastructure sector. I see Empowered Communities as the structure that will break the cycle of passive welfare dependency and create fundamental change in my community and other communities across Australia.

'If you want to have things you have never had before, you must be prepared to do things you have never done before. For us, this will mean getting more of our people educated and into a job in order to break the cycle of poverty for our people.' — Ian Trust, Executive Chair, Wunan

Sean Gordon (Central Coast)

Yaama!

I am a Wangkumarra/Barkintji man, and grew up at Brewarrina in western New South Wales. I am excited to implement Empowered Communities in the Central Coast of New South Wales and have spent the last 18 months as the convener of the Empowered Communities Leadership Group. I believe we can have a real impact on a state and federal level through this united approach.

Here on the Central Coast, we have established our backbone organisation, Barang, which translates in the Darkinjung language as 'tomorrow'. Our vision is 'empowering Aboriginal people through a unified voice'.

'To my knowledge, we've not had eight regions come together to do the type of initiative that we're working on. It's unique and it's never been done before. If we develop this and we get it right, then we're setting a new benchmark and model for our communities.' — Sean Gordon, CEO, Darkinjung Local Aboriginal Land Council

Fiona Jose (Cape York)

Yalada!

My grandfather's country is Kuku Yalanji and my grandmother is from the Torres Strait. My father and our family spent most of our younger years growing up in the Miallo/Cooya Beach region. Most of my adult life, I have worked hard to bridge the unemployment gap through enabling Indigenous people to have the capabilities needed to gain meaningful employment in any industry. I have a passion for education and know that a quality education for our young people will set them up for a better future.

It's been a privilege for me as one of the next generation of Indigenous leaders to be working with leaders of Empowered Communities. The strength and example of our old people and elders in Cape York and their triumphs give me the courage to do what's needed by focusing on individuals and families and working at a regional level to achieve outcomes that give people a life they will value.

'The strength of Empowered Communities is the collaboration; it has its own legacy of empowerment that will live on way beyond any formal process.' — Fiona Jose, General Manager, Cape York Partnership

Noel Pearson (Cape York)

Wanhधारra!

My father's country is Bagaarmugu on south-eastern Cape York and my mother's people are Kuku Yalanji. I have spent my adult life working for the future of my people in Cape York Peninsula.

Since the early 2000s, I have been part of policy development and conceptual thinking on the need for reform of the Australian welfare system, and the need for those trapped in passive welfare to shift from passivity to responsibility. I have been working collaboratively with the other Empowered Communities regions for the last 18 months on articulating the architecture that will enable communities to decide their own futures—to ensure that culture, language and tradition have their place within socially and economically developed communities, and that each community can have its say in the direction it takes.

'Really this is our best shot to chart a future not just for our eight regions—we really have to be a beacon for the rest of Indigenous Australia. If we're going to make progress in Indigenous affairs, then the empowerment of Indigenous people is at the heart of it.' — Noel Pearson, Founder, Cape York Partnership



1 Introduction: Moving to Indigenous Empowerment

'If we could first know *where* we are, and *whither* we are tending, we could then better judge *what* to do, and *how* to do it.'

Abraham Lincoln¹

Where we are

1. On 11 February 2015, as is customary, the Prime Minister of Australia, the Hon Tony Abbott MP, tabled the Closing the Gap report in the Australian Parliament. This is now a major annual event, garnering national media and public attention. Scheduled for the beginning of the parliamentary year, it has become a salutary reckoning on the part of Australia's national parliament on progress with closing the social and economic gap between Indigenous Australians and their fellow Australians. The scorecard in Table 1.1 was tabled as part of the report.

Table 1.1: Progress against the Closing the Gap targets

Target	Target year	Progress	Results
Close the gap in life expectancy within a generation	2031	Not on track	Limited progress.
Halve the gap in mortality rates for Indigenous children under five within a decade	2018	On track	Long term progress.
Ensure access for all Indigenous four- year-olds in remote communities to early childhood education	2013	Not met	In 2013, 85 per cent of Indigenous four-year-olds were enrolled compared to the target of 95 per cent.
Close the gap between Indigenous and non Indigenous school attendance within five years	2018		New target, baseline 2014.
Halve the gap in reading, writing and numeracy achievements for Indigenous students	2018	Not on track	There has been no overall improvement in Indigenous reading and numeracy since 2008.
Halve the gap for Indigenous Australians aged 20-24 in Year 12 attainment or equivalent attainment rates	2020	On track	The gap is narrowing in Year 12 or equivalent attainment.
Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians	2018	Not on track	There was a decline in employment outcomes since the 2008 baseline.

Source: *Closing the Gap: Prime Minister's Report 2015*, Australian Government, Canberra, p. 5.

2. Two days later, on 13 February 2015, the Indigenous All Stars and National Rugby League (NRL) All Stars met for another annual reckoning on the Gold Coast. The Indigenous All Stars defeated the NRL All Stars 20 to 6.

¹ Wills G 1992, *Lincoln at Gettysburg: The Words that Remade America*, Simon and Schuster, New York, p. 161.

3. The following Friday, on 20 February 2015, the AFL Indigenous All Stars played the West Coast Eagles:

West Coast has come from behind to record its first win of a new season over the AFL Indigenous All Stars in an entertaining exhibition game at Medibank Stadium in Perth.

The Eagles trailed by 10 points at half time but injected young legs into the game after the break to kick three goals to none in the second half and win 7.7 (49) to 5.11 (41). The match was played in front of a sell-out crowd of close to 10,000.²

4. Indigenous players make up 9 per cent of the AFL³ and 12 per cent of the NRL⁴—despite comprising only 3 per cent of the national population. The stark *under*-representation of mainstream Australians in these two football codes are two Closing the Gap targets facing the nation.
5. Outstanding achievements like these can also be seen in the large numbers of Indigenous artists, performers and musicians. Like Indigenous stockworkers of an earlier era, these examples of success engender pride, showing what is possible when the talents and potential of our people are able to flourish.
6. You cannot have large numbers of individuals excelling in sport and art without a widespread culture and capacity for work, competition, discipline, perseverance, intense effort, personal responsibility and the fierce support of dedicated families and communities. These professional stars are only the tips of the enormous icebergs of amateur football played from Yuendumu to Shepparton, Hope Vale to Bourke, and Blacktown to Halls Creek. It shows what is possible when entry barriers are low and access is on merit, not background. It shows what is possible when the institutions involved actively welcome and support Indigenous participation—like these football codes do. It shows what is possible when they honour the dignity of their Indigenous players by being vigilant in combating racism. The lessons to be drawn from this success are not trivial.
7. If these traits could be equally devoted to the challenges of development, and the factors driving success with individuals, families and communities applied to wider social and economic participation in Australia, the gap on Indigenous disadvantage would soon close.
8. We face many reminders of the persistent disparity between the life experiences and opportunities faced by Indigenous and non-Indigenous Australians. Government reports year after year present the familiar picture of small gains in some areas offset by stagnation and deterioration in others.
9. We see numerous and promising examples of positive change as the result of Indigenous leaders and communities taking responsibility for their futures. We have seen this in each of our eight Empowered Communities regions. To name just a few, the transitional housing program of the East Kimberley, the education and welfare reforms of Cape York and the tackling of substance abuse and youth justice in Inner Sydney are having an impact.
10. However, despite the goodwill of the Australian people and the substantial investment by government, current approaches are failing to create the seismic changes needed to close the gap.
11. While there are exciting examples of progress that show the initiative of our leaders and the potential for change, they do not add up to development. As long as we remain dependent on government to pick their favoured programs, authorise new approaches, arbitrate on the direction and goals of our communities, and determine resource allocations, we will not achieve the broad-scale development necessary to close the gap. Despite repeated failures, each new attempt places trust in new and more finely tuned government programs instead of genuine reform.

2 www.afl.com.au/news/2015-02-20/match-report-eagles-v-all-stars.

3 'AFL & the Indigenous Community', AFL Community Club, 2014 www.aflcommunityclub.com.au/index.php?id=727.

4 'All Stars week drives NRL inclusiveness', NRL.com, 12 February 2014, www.nrl.com/all-stars-week-drives-nrl-inclusiveness/tabid/10874/newsid/83805/default.aspx.



One-eyed hobby horses

12. Australians were warned about the inevitable failure of current approaches to Indigenous affairs at least a half century ago. In 1968, the eminent anthropologist WEH Stanner spoke in his famous Boyer Lectures about contemporary theories of 'Indigenous advancement'. Stanner described the common belief that:

there would be a rapid general advance if only some one sovereign remedy were applied, such as better education or health measures, or modern sanitation, or improved housing, or higher wages, and so on. They are all in part right and therefore dangerous. If all these particular measures, with perhaps fifty or a hundred others, were carried out everywhere, simultaneously, and on a sufficient scale, possibly there would be a general advance. But who shall mobilise and command this regiment of one-eyed hobby horses? And keep them in column?⁵

13. Australian governments at the federal, state and territory levels have never stopped trying to mobilise hobby horses. Which horses may depend on the political and ideological hue of the government in power, but what they have in common is Stanner's identification of them as species of hobby horses. This report calls for a stop to this futility and to heed Stanner's longstanding advice.

14. In the same passage, Stanner continued:

Possibly the most dangerous theory, though it is scarcely that, is that things are now going well, that all we need to do is more of what we are already doing, that is, deepen and widen the welfare programs, and the rest will come at a natural pace in its own good time. The trouble is that things are not going well. The gap between the average living conditions of the Aboriginals and ours shows signs of widening, not narrowing.⁶

15. As we have seen with the succession of Closing the Gap reports since 2008, Stanner could well be talking of today. Without a fundamental reform shift, we fear much the same will be true another 50 years from now.

The elephant and the mouse

16. Our failure to achieve progress in Indigenous affairs is ultimately due to, and reflective of, the widespread disempowerment of Indigenous people. One aspect of this disempowerment is that our people—in the normal course—cannot get government to work for us as citizens of the Australian system of democracy and government. Sure, we get responses when there is a crisis, or we protest publicly and get attention to our issues—but the day-to-day functioning of government systems doesn't work with us to resolve our problems and enable us to seize opportunities. Attention and service fluctuate. Interest and enthusiasm wax and wane. Often it seems that the default position of government systems is antipathetic to the interests of our people.
17. This failure is in no small way a consequence of our extreme minority status: the 3 per cent mouse dealing with the 97 per cent elephant. The current approach to Indigenous affairs does not enable our people to lead our own development by taking responsibility for our lives, families and communities. We cannot effectively influence decisions which most affect our lives. We are left as mendicants within the majoritarian system of democracy.
18. The powerlessness we experience as a consequence of our extreme minority status is compounded by our status as the Indigenous peoples of this country. We are the only minority to be dispossessed of our land, and the only group that was explicitly excluded by Australia's constitutional arrangements in 1901. We remain the only group who must contend with the disadvantages arising from our unique status as the Indigenous minority of Australia.

5 WEH Stanner, *After the Dreaming: black and white Australians—an anthropologist's view*, the Boyer Lectures, 1968, Australian Broadcasting Commission 1969.

6 Ibid.

19. While we can lobby, act as advisers, protest, or try to have a say in the media, there are no formal or guaranteed processes to give us a fair say even on matters that impact on us most. Others continue to devise and implement ‘solutions’ to our problems largely without our input, and absent any accountability to those affected. This is why the failure of governments to meet basic responsibilities, such as the provision of good-quality essential public goods like education, policing, infrastructure and health, continues year after year.
20. But more devastating than areas of under-servicing has been the entrenchment of Indigenous dependence created by widespread government overreach through passive service delivery. The welfare state in Australia induces the most crippling sclerosis in Indigenous society because its programs so often displace responsibility from those who should be vested with relevant responsibilities—individuals, families and communities.
21. Instead, responsibility is placed with governments, their agencies, bureaucrats and a growing army of for-profit and not-for-profit non-government organisations (NGOs) operating as service providers. In some cases, such as under the Remote Jobs and Communities Program (RJCP), even responsibility for community leadership is outsourced to external NGOs. It is RJCP providers who are charged with conducting development planning, while Indigenous leaders and people are relegated to the role of being ‘consulted’.
22. Absent responsibility for their families and futures, Indigenous people are sucked down into a vortex of dysfunction and hopelessness. Likewise, Indigenous leaders and communities trying to take responsibility for improving the future of their peoples are too often stuck in a morass of red tape and policy churn associated with the political cycle and the all-too-temporary whims of successive governments and their ministers. While we have the knowledge about our lives and communities, government holds nearly all the power.

Remote, regional and urban communities are different contexts but the key challenges are common

23. Much policy is driven by a focus on the differences between remote and non-remote Indigenous people. While there is great variety in the experiences and circumstances of Indigenous people today, the challenge of our extreme minority status is present throughout Australia—from the cities to the remote bush, from Redfern to Rambling.
24. In some remote areas, Indigenous people are the majority of the population but are still sidelined as small populations far removed from the levers of power in capital cities. In the cities, Indigenous people are closer to power but are directly confronted with the challenges of our extreme minority status. The problems of passivity, dependence and dysfunction arise in all of these contexts.
25. Rather than geography, a more useful distinction can be made by focusing on Indigenous people’s life experiences. The late Indigenous academic from South Australia, Maria Lane, identified in her research two broad groups among the Indigenous population. Lane called one group the ‘welfare-embedded population’. The other group she called the ‘open society population’, which was opportunity-, effort- and outcome-oriented.⁷ The writings of the late economist Professor Helen Hughes spoke to this same distinction: there is an Indigenous working and middle class that is doing well, and it is the welfare-dependent group that is not.⁸ The latter are to be found in urban and regional communities as well as remote communities, where they are a majority. But even in remote communities, there are working and middle-class members who are doing well with their families, and setting their children up for more productive futures. Like Hughes, Marcia Langton has also pointed out the growth of the Indigenous working class and the emerging middle class associated with the resource industries.⁹

⁷ Lane M 2007, *Two Indigenous Populations? Two Diverging Paradigms?* Unpublished paper.

⁸ Hughes H 2007, *Lands of Shame: Aboriginal and Torres Strait Islander ‘Homelands’ in Transition*, Centre for Independent Studies.

⁹ Langton M 2012, *The Quiet Revolution: Indigenous People and the Resources Boom*, 2012 Boyer Lectures.



26. Our challenge is to create the conditions necessary to encourage the welfare-embedded group, wherever they are, to join the open society cohort, but without losing their cultures, languages and identities. Our work as leaders in each of the Empowered Communities regions has been focused on doing just that.
27. We now come together as leaders from eight regions across remote, regional and urban Australia looking for better ways to continue our work. We are proud of the progress many of our communities have made in recent years, but believe so much more is possible with the right reforms. With this report, we now present government with an agenda for such reforms.
28. We have leadership. We have examples of promising success. This report presents a clear agenda for reform. We are ready to move to Empowerment.

Whither we are tending

29. Our vision is straightforward:

We want for our children the same opportunities and choices other Australians expect for their children. We want them to succeed in mainstream Australia, achieving educational success, prospering in the economy and living long, healthy lives. We want them to retain their distinct cultures, languages and identities as peoples and to be recognised as Indigenous Australians.

30. Fulfilling our vision would see us achieve the objective of Closing the Gap in the life experiences of Indigenous and non-Indigenous Australians across key indicators. However, our agenda is more than just material wellbeing. We are not content to achieve social and economic development but lose our identities, languages or cultures—we do not want assimilation.
31. We reject the view that there is some contradiction between maintaining our cultures and achieving development. Instead, we see that failing to successfully tackle the development challenge is the surest way to lose our cultures, leaving us economic, social and cultural paupers.
32. Rather, we know that our best chance of preserving our heritage is through obtaining the strength that successful development provides. By taking this path, we strive for a future in which our people retain their languages and succeed in the broader Australian culture—moving with confidence between both worlds.
33. We therefore have two critical objectives for our agenda: to *Close the Gap on the Social and Economic Disadvantage* of the Indigenous Australians of the Empowered Communities, and to enable the *Cultural Recognition and Determination* of Indigenous Australians of the Empowered Communities so that they can preserve, maintain, renew and adapt their cultural and linguistic heritage and transmit their heritage to their future generations.
34. Our vision and objectives go from North to South, Remote to Urban, and transcend traditional divides of Symbolic versus Practical, Development versus Preservation, and Rights versus Responsibilities (see Figure 1.1). We comprise a leadership group from eight regions spread across the country. Some of us have spent our lives fighting racism and advancing the need for far greater recognition of Indigenous rights. Others of us have focused on the need for our people to take greater responsibility for their own lives and achieve economic development. We all recognise the importance of these sometimes competing perspectives. We now stand together as a group to present a common reform agenda.

Figure 1.1: A reform agenda that transcends divides



35. While our vision is ambitious, it is only one part of the necessary national reform agenda. It is important to understand this: we are proposing an approach to social and economic empowerment. It needs to be complemented by a broader settlement agenda that addresses Recognition and Reconciliation, which is not and cannot be dealt with in this report.

What to do

36. To achieve our vision, we propose a policy reform agenda centred on Indigenous empowerment. The scale and breadth of our ambition—to move from passivity and dependence to Indigenous empowerment—is analogous to when Australia grasped the challenge to move from an inwardly focused, protected and highly regulated economy to an open and competitive economy in the 1980s and 1990s.
37. At this time, Australian governments launched the National Competition Policy (NCP), tackling vested interests, reducing regulation and placing more faith in the market. By doing so, the NCP moved Australia to a competitive footing that has underpinned Australia’s prosperity over the last 20 years.
38. At its heart, the NCP was centred on a simple idea: that competitive markets will generally best serve the interests of consumers and the wider community—achieving greater prosperity. This idea guided waves of reform sweeping across government and washing over the broader economy, increasing productivity throughout the nation. For its application to different industries and sectors, detailed consideration of the intricacies of specific sectors was necessary, but all with reference to a simple unifying idea.
39. Throughout the development of this Indigenous Empowerment policy, including numerous discussions and policy research work, we have been much taken by the NCP reform story. We came to see it as a powerful story and an inspiring precedent. We have used it in our policy design of this report as a most apt *analogy* of our challenge. Indeed, we have used this analogy to frame our whole approach.
40. We emphasise that we have taken the NCP as a public policy analogy, and not for the purpose of applying its substantive policy to Indigenous affairs.
41. We have chosen the NCP analogy because the scale of the paradigm shift required is equivalent. Australia, prior to the competition reforms, was riddled with economic and public policy sclerosis that pervaded the whole scene. Protectionist behaviour was not just preferred, it was in many areas the officially sanctioned reality. Public sectors at all levels operated in protectionist ways, laws reinforced and mandated protectionism, vested interests strongly supported the old protectionist paradigm—consumers, employees, employers, entire industry sectors, governments and

politicians. The cause of reform required not just legal, regulatory and economic changes—it faced trenchant ideological objections and required an entire change of public mindset. The challenge was economic, social, cultural, political and legal—and it involved taking people and institutions away from their established ways of doing things, and migrating them to a new mindset of competition. The vested interests were strong and their arguments in opposition were not weak.

42. And yet the reforms succeeded. The country changed and its mindset and ingrained ways of behaviour shifted from an old paradigm to the new. How did this happen in less than two decades?
43. It seemed to us that Indigenous Empowerment represents a paradigm shift of similar scale and profundity. The current state of disempowerment is not just manifest in behaviour, it is ultimately structural. The cultures, mindsets, established ways of doing things, vested interests and objections to reform are as pervasive in the smaller field of Indigenous affairs as protectionism was in the larger context of the Australian economy. And yet good public policy succeeded with the NCP—why can't we succeed with good public policy in pursuit of empowerment and development?
44. The NCP implemented a policy of increasing competition to achieve its goal of enhanced national prosperity based on greater productivity across the economy. Likewise, Empowered Communities proposes an Indigenous Empowerment policy to drive development and prosperity through greater productivity.
45. We now outline why we think empowerment is the right policy, why development is the right goal and why productivity is the right means.

The right policy is Empowerment

46. Our core proposal is for government to adopt the Indigenous Empowerment policy as the headline national reform policy, applying to those Indigenous regions and communities that have opted in to this reform policy.
47. There is near-universal consensus on the foundational importance of empowerment to development, a consensus based on observations of the development processes around the world. Development agencies such as those of the United Nations system, including the World Bank, have placed great emphasis on empowerment in their work driving development.¹⁰
48. These lessons are especially pertinent to the world's Indigenous people, who particularly face disempowerment living in settler democracies. In response, many Indigenous peoples have successfully created pioneering arrangements that support empowerment by safeguarding their interests and providing space for measures of self-determination.
49. In addition to responding to the strong desire among Indigenous peoples for greater autonomy and control, available evidence indicates that these innovations are instrumental drivers of development. For example, since 1987, the Harvard Project on American Indian Economic Development has conducted systematic, comparative studies of Native American tribes to understand the conditions under which sustained economic development is achieved. It has reached strong conclusions on the centrality of Native American empowerment and control to the development challenge:

Successful Native nations control their own affairs. They assert the power to make core decisions about resources, policy, and institutions. Lack of control in these domains soon traps Indian nations in dependent poverty. The research is clear: outsiders perform poorly when managing Native resources, designing Native policy, and creating Native governing institutions—no matter how well-meaning or competent they may be. When Native communities take control of their assets, programs, and governments they obtain higher prices for their commodities,

¹⁰ See, for example, Alsop A, Frost Bertelsen M and Holland J 2005, *Empowerment in practice: from analysis to implementation*, The World Bank, Washington DC.

more efficient and sustainable use of their forests, better programs for their health care, greater profitability from their enterprises, and greater return migration. The reasons are straightforward. The decision makers are more likely to experience the consequences of good and bad decisions. They are closer to local conditions. And they are more likely to have the community's unique interests at heart.¹¹

50. Our identification of empowerment is also not new in Australia. It has been articulated by various official inquiries in this country and by Indigenous people who have sought answers to our predicaments. It should not be surprising that our central argument is not novel. Indeed, it would be surprising if the answer was not well founded.

51. In 1991, in his final report of the Royal Commission into Aboriginal Deaths in Custody, the commissioner, the late Elliot Johnston QC, focused on the importance of the empowerment of Aboriginal society. He identified three critical elements of such empowerment:

The first and the most crucial is the desire and capacity of Aboriginal people to put an end to their disadvantaged situation and to take control of their own lives. There is no other way. Only the Aboriginal people can, in the final analysis, assure their own future. This, of course, is no easy thing. Where a people have been put down for so long, deprived of rights, made dependent, regarded and treated as inferior, assigned a totally inferior status in society, some or many become lost in despair.

The second prerequisite is assistance from the broad society and this basically means assistance from governments with the support of the electorate, or at least without its opposition.

The third prerequisite to the empowerment of Aboriginal people and their communities is having in place an established method, a procedure whereby the broader society can supply the assistance referred to and the Aboriginal society can receive it whilst at the same time maintaining its independent status and without a welfare-dependent position being established as between the two groups. That requires an adherence to the principles of self-determination ...¹²

52. Commissioner Johnston was not the first or last to recognise the need for empowerment for Indigenous Australians. Recommendations for greater Indigenous empowerment, self-determination, control, power, autonomy, engagement and responsibility for decision-making have dominated a long list of speeches, reports and reviews from numerous sources.¹³

53. For example, the 2007 *Little Children are Sacred* report stated as its key conclusion:

What is required is a determined, coordinated effort to break the cycle and provide the necessary strength, power and appropriate support and services to local communities, so they can lead themselves out of the malaise: in a word, **empowerment!**¹⁴ (emphasis in original)

11 Taylor J 2008, *Determinants of Development Success in the Native Nations of the United States*, Harvard Project on American Indian Economic Development and Native Nations Institute for Leadership, Management, and Policy, Cambridge, MA, and Tucson, AZ.

12 Johnston, E 1991, *Royal Commission into Aboriginal Deaths in Custody: National Report Volume 1* at paras 1.7.8, 1.7.9, 1.7.14, 1.7.18 and 1.7.19.

13 See, for example, Keating P 1992, *Redfern Speech*, Redfern; Perkins C et al. 1994, *Recognition, Rights and Reform: A Report to Government on Native Title Social Justice Measures*, ATSIC; Dodson M 1996, *Assimilation versus self-determination: No contest*, at the HC (Nugget) Coombs Northern Australia Inaugural Lecture; Scott E 2000, *Reconciliation: a culture of peace-making*, Speech at Cultures of Peace, Perth; Hunt J and Smith D 2007, *Indigenous Community Governance Project: Two year research findings*, CAEPR, Canberra; Yunipingu G 2008, 'Tradition, Truth & Tomorrow', *The Monthly*; Rudd K 2008, Presenting the Sydney Peace Prize to Patrick Dodson University of Sydney, Sydney; Walker B, Porter D and Marsh I 2012, *Fixing the hole in Australia's Heartland: How Government needs to work in remote Australia*, Desert Knowledge Australia, Alice Springs; Gooda M 2013, *Social Justice and Native Title Report 2013 Aboriginal and Torres Strait Islander Social Justice Commissioner*, Australian Human Rights Commission, Canberra; Abbott T 2013, *Speech to the Garma Festival*, Gulka; Mundine W 2013, *Shooting an Elephant: Four Giant Steps*, Gulka; Yunupingu D 2013, *Speech to the Garma Festival*, Gulka; Chaney F 2015, *A road to real reconciliation with Aboriginal Australia*, John Button Oration, Melbourne.

14 Wild R and Anderson P 2007, *Little Children are Sacred: Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, Northern Territory Government, Darwin.

54. While there have been many calls for empowerment of Indigenous people, no one has proposed how it might be given effect in terms of policies, institutions and action. Empowerment is such an obvious truth, it is susceptible to truism. It is easy to agree with it, but very hard to identify how it might be put into effect in terms of public policy. This is why past calls for empowerment did not result in empowerment in practice. Methods, institutions, policies and actions need to be articulated to give effect to empowerment. And this has never happened in a comprehensive and fundamental way. This is the lacuna that this report seeks to fill.
55. Empowered Communities is about putting forward a concrete agenda to give effect to empowerment. It is now time to take seriously the lessons of global and domestic experience and implement a policy of Indigenous Empowerment.

The right goal is Development

56. Indigenous affairs continues to be viewed through the prism of deficit: overcoming disadvantage or ameliorating poverty. Instead, we should focus on the goal of development, achieved through a policy of Indigenous empowerment.
57. The objectives of overcoming deficits, disadvantage and poverty immediately invoke the standard tools of the welfare state: top-down government intervention through income transfers and passive service delivery. Individual, family and collective agency is relegated to the sidelines, displaced by the strategies, rules and procedures of the bureaucracy. Failure to achieve progress is taken as evidence of the need for increased funding, further government intervention and better ‘coordinated’ programs. In contrast, with development as the goal, the solutions are fundamentally different.
58. The Nobel laureate economist Amartya Sen conceives the value of development as the means to expand the range of choices (‘freedom’) enjoyed by individuals.¹⁵ Welfare payments may increase personal income but alone are unlikely to expand, and may even constrain, an individual’s life choices due to the crippling effect of dependence.
59. Instead, a development approach foregrounds the role of individual, family and collective agency and responsibility—the role of Indigenous empowerment. Development is impossible without expanding individual choice, responsibility and capability. The practical implications of this are that all policies and programs must support efforts to build capability, self-reliance, aspiration and opportunity, and increased choice.
60. The lesson is clear: we will only achieve success in closing socioeconomic disparity when we become active agents in our own social and economic development. We want responsibility for our lives and our development to rest on the shoulders of our people.

The right means is Productivity

61. If Empowerment is the right policy, and Development the right goal, the right means to achieve that goal is through greater Productivity. This means we must confront the present situation of very substantial spending with limited results. We must instead ensure greater effectiveness and efficiency in the use of all inputs—getting better returns from the investment.
62. In the absence of a full analysis, we cannot claim to know whether funding across Indigenous affairs is presently too much or too little—we know the need is immense but, as we will explain in Chapter 4, the notional aggregate expenditures are very substantial indeed. Whatever the funding level should be, one plain reality is that this spending is not achieving what it should and so much more good could be done with the present investment.

¹⁵ Sen A 1999, *Development as Freedom*, New York: Oxford University.

63. Our empowerment agenda will see greater productivity across Indigenous affairs by shifting away from government agency towards the agency of individuals, families and communities. We want to stem the flow of passive welfare and passive service delivery by placing greater responsibility and agency with individuals—supported by government. Likewise, we want leaders and communities to take greater responsibility for making strong decisions about investment priorities, with skin in the game, and ensuring a more rational focus on development investment.
64. In the final section of this introduction, we now address the question of what we will do to turn the idea of empowerment into reality, following the NCP analogy.

Getting the reform policy right

65. In Chapter 2, we set out the first limb of our proposal—getting the reform policy right. Our meaning is as follows:

The **lesson from the National Competition Policy**: there must be an agenda agreed and owned by all governments that outlines the reforms with a practical degree of specificity.

Empowered Communities proposes a headline policy agenda of **Indigenous Empowerment, a paradigm shift** away from the traditional social policy framework in which Indigenous affairs initiatives have been developed and delivered.

The shift to **Indigenous Empowerment** will involve Indigenous people empowering themselves to take responsibility for their lives and futures, and governments supporting them to do so.

It will provide an enabling environment in which families and individuals can achieve economic, social and cultural **Development**—national and regional institutions and initiatives are proposed only as enabling supports.

The Development goals of the Indigenous Empowerment policy are to **Close the Gap on the Social and Economic Disadvantage**, and to **enable the Cultural Recognition and Determination** of Indigenous Australians of the Empowered Communities.

All available resources and opportunities must be used efficiently and effectively. Greater **Productivity** means less duplication, red tape and involvement of middlemen, and investing in things that work.

A set of **Reform Principles** will act as a funnel for policies, programs and funding and guide the development agendas within each region.

The **Reform Framework** will include: National Policy agreement and legislation; Development Agendas prepared by Indigenous people; First Priorities Agreements in the first year of implementation; Development accords between Indigenous leaders and governments; and delivery plans reviewed annually.

Indigenous reform leaders and organisations in eight regions in urban, regional and remote locations have opted in to the Indigenous Empowerment reforms.

The **Partners for Reform** are Indigenous people, all Australian governments, and the corporate and philanthropic sectors in collaboration with non-government organisations.

Getting the leadership behind reform

66. In Chapter 3, we set out the second limb of our proposal—getting the Reform Leadership behind the reform. Our meaning is as follows:

An important lesson from National Competition Policy (NCP) reforms is that you have to have reform leadership. Without reform leadership over the long term, the NCP could not have generated the changes required across lethargic, resistant and even politically protected industries and organisations. The NCP reform leadership was able to replicate and regenerate across industries and sectors, outliving short-term political cycles and thereby ensuring that the reforms were not upended before they had a chance to succeed.

Similarly, an **enduring and effective reform leadership** is needed in order to meet the challenges of Indigenous development. This chapter sets out how long-term leadership and the right partnership between governments and Indigenous peoples must be formed to drive development.

A new partnership must be formally agreed that transfers real responsibility to Indigenous people and puts them in the position of senior partner, in a way that has not occurred in the past.

Only Indigenous people can drive Indigenous development, but the right kind of support from governments is also required. **Governments have a critical role as enabler**, supporting and building Indigenous leadership, requiring a shift in responsibilities, behaviours and attitudes.

‘Inside-out’ collaborations rather than ‘top-down’ or ‘bottom-up’ approaches are needed.

The eight Empowered Communities are developing **regionally specific governance arrangements** building on existing structures to create local and regional coalitions to drive reform. These arrangements will vary according to regional circumstances but share common elements, including:

- Indigenous-led opt-in organisations playing a key leadership role
- a leadership group selected or elected by the opt-in organisations
- an interface mechanism (such as a ‘meeting place’ or ‘negotiation table’) for negotiations between Indigenous and government Partners
- a backbone organisation driving delivery and performing support functions.

Getting the incentives supporting reform

67. In Chapter 4, we set out the third limb of our proposal—putting in place the Incentives that support reform. Our meaning is as follows:

One of the lessons to be drawn from the success of the National Competition Policy is that **incentives can powerfully support reform**. The NCP has survived numerous changes of government, partly because state treasuries were locked in as proactive agents of change. The incentive payments for reforms were of such a magnitude that they were too important to ignore.

The success of the Indigenous Empowerment policy depends on reforms to align incentives. A range of funding reforms are required to disrupt the existing ecology, provide a coherent framework through which funds can flow to support empowerment and development, and deliver increased **productivity**.

Given tight budgets and ever-growing public scepticism about the existing approach, **governments have steep incentives** to find a way that works. This requires a series of changes to the financial arrangements affecting Indigenous people across the Empowered Communities.

Reform is necessary so that **funding is more productively funnelled towards driving development**. This must involve **transparency** over all regional and local spending, **pooling funds** on a regional basis, finding better ways to **fund Indigenous organisations** committed to reform, and ensuring all spending is increasingly directed towards **delivering on place-based Development Agendas**.

There must be concrete steps towards a **demand-driven** approach where Indigenous people take on the role of ‘purchaser’.

Performance should be incentivised by instituting a **‘race to the top’** where funding increasingly flows to those achieving success.

To drive development, individuals must also have access to a pathway enabling them to move from welfare to self-reliance and the incentives to do so. This requires welfare reform by creating an opt-in **Opportunity System** underpinned by mutual obligations, where individuals are provided with guaranteed opportunities in return for taking up obligations.

Finally, the universal **right to development** must be elevated for Indigenous Australians. This should involve support for the recommendations of the forthcoming Tribal Wealth Review.

Long-term alignment and compliance

68. In Chapter 5, we set out the fourth limb of our proposal—ensuring that we have long-term alignment and compliance with the reform agenda. Our meaning is as follows:

The **lesson from the National Competition Policy**: a strong, fearless institution is needed, established in legislation and independent of the executive arm of government, to hold all parties to the reform agenda to account for the long term.

Commitment to a long-term Indigenous Empowerment policy must be steadfast and binding for at least 10 years. **The chopping and changing** of policies, programs and levels of political interest has not served Indigenous people well.

The **Indigenous Policy Productivity Council (IPPC)**, established as an independent statutory body under an Indigenous Empowerment Act, will support government and Indigenous reform Partners and hold them to account for their commitments.

The IPPC will:

- **scrutinise policy and programs** that significantly impact on Indigenous people
- **facilitate** the negotiation process for Development Accords
- **mediate** or provide, where agreed, expert determinations
- **publicly report** on regions on an annual basis.

The **Productivity Commission** may inquire into specific policy questions, on the basis of a reference from the Australian Government on the recommendation of the IPPC.

The IPPC will be established in the **Prime Minister's portfolio**, with three council members, at least one of whom is associated with Empowered Communities, appointed by the Minister on the recommendation of the founding members of Empowered Communities.

Legislation for the Indigenous Empowerment policy will be staged following a **review after two years**. In the meantime, the Indigenous Empowerment policy should be implemented as a matter of policy agreement.

Provision and planning should occur for **other regions to opt in** to Empowered Communities reforms through the Indigenous Empowerment policy framework, with oversight by the IPPC.

Driving delivery

69. Finally, in Chapter 6, we set out the fifth limb of our proposal—driving the delivery of the reform policy. Our meaning is as follows:

Without implementation, the best policies with optimal support will amount to nothing—**effective delivery** is the key to success for Indigenous Empowerment, and the greatest challenge.

It requires appropriate and dedicated organisational arrangements, embedding adaptive practice across the reform framework, and a dynamic and developmental monitoring and evaluation framework.

Delivery units should be established in the Department of the Prime Minister and Cabinet and in the Empowered Communities backbone organisations as the engine rooms of delivery.

First Priorities Agreements, focused on one or more of the high-priority goals of rebuilding Indigenous social and cultural values, will be settled in the first year of implementation.

The use of **intensive design and innovation labs** to inject new ideas, break down silos and translate high-level strategies into detailed implementation plans should be tested.

Delivery plans, reviewed annually, will set out agreed actions, targets and trajectories to assist delivery units in tracking performance and identifying any course correction needed.

The Empowered Communities reform framework is a **vehicle for effective delivery of other related major Indigenous reforms**.

A specific professional development program is needed for government officers working on Empowered Communities delivery—they must operate as enablers in support of Indigenous people.

Implementation of the Indigenous Empowerment policy will take time to ‘get it right’, mistakes will occur, directions will need to be corrected and **adaptive practice is essential** so that the Partners can learn as we go.

A non-traditional monitoring and evaluation framework supporting innovation is required to generate implementation and delivery data.

Accurate baseline data, rapid feedback loops through local knowledge managers, central coordination, expert advice and regular reports are key components of learning as we go through the monitoring and evaluation framework.

2. Reform policy: Getting the empowerment, development and productivity reform policy right

1. Indigenous Empowerment is the headline policy proposal. It entails three parts:
 - first, the Empowerment of Indigenous people to take responsibility for our lives and futures
 - second, focusing all activities on achieving broad-scale social, economic and cultural Development
 - third, increasing Productivity across Indigenous affairs.
2. By pursuing these three elements of the headline policy, we will be able to fulfil our vision and obtain our goals to close the gap on social and economic disadvantage and enable Indigenous cultural determination.

What is meant by Empowerment

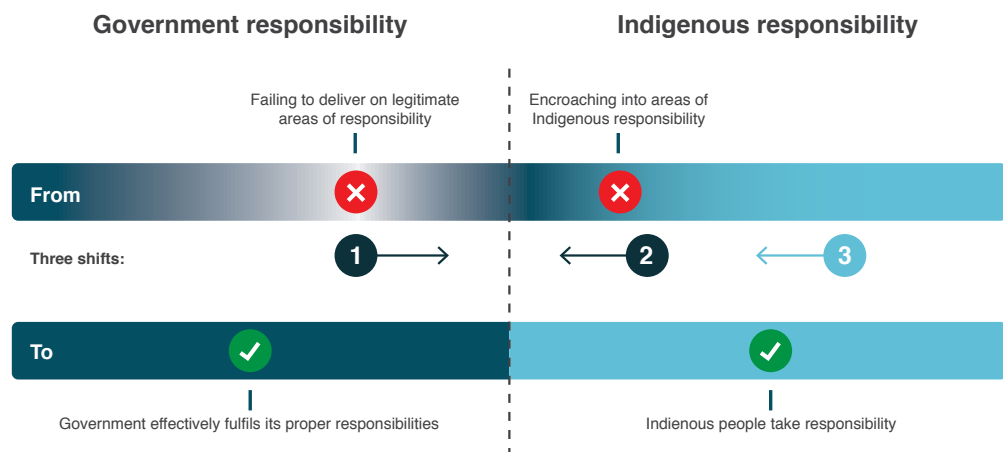
3. Empowerment means simply that Indigenous people must exercise the right to take responsibility. This entails two key components:
 - first, that Indigenous people have the right to take responsibility for their own lives and futures
 - second, that government has the responsibility to equip Indigenous people with the rights and supports necessary for this empowerment.
4. In relation to the first, it is clear that empowerment will only come if Indigenous people make all possible efforts to empower ourselves. We cannot just rely on governments to hand us empowerment: we must take power in our own hands. This is what Eleanor Roosevelt meant when she said, ‘There is nothing government can do for people that they are not willing to do for themselves.’
5. In practice, this includes leaders working together and taking on responsibility for crucial decisions, for driving reform in their organisations, communities and regions, and maintaining accountability to the people they seek to serve. More fundamentally, it means individuals taking on responsibility for their own lives and their families, contributing to their communities and pursuing opportunities for a better future. Empowerment means hard work.
6. However, Indigenous people acting alone is not enough to achieve empowerment. The structural problem of the elephant and the mouse—where the dominant institutions are not responsive to the demands of the mouse—means that disempowerment is *structural*, and is therefore resistant to reform. There has not been the right enabling environment through which meaningful empowerment can occur. Empowerment will require structural reform.

Empowerment will only come if Indigenous people make all possible efforts to empower ourselves.

Government must respond by providing Indigenous people with the means of their own empowerment.

7. Governments must stop assuming Indigenous people need government intervention and leadership in all aspects of their lives. Instead, government must respond by providing Indigenous people with the means of their own empowerment. This must entail sharing or relinquishing certain powers and responsibilities and supporting Indigenous people with resources and capability building to assume these powers and responsibilities.
8. The challenges of achieving empowerment can be understood as restoring the appropriate balance of responsibility between Indigenous people and government. As depicted in Figure 2.1, government has encroached into areas where responsibility should properly reside with Indigenous people—it fails in these areas because it is trying to do what it should not and cannot do. For example, free breakfast programs provided to schoolchildren without parent involvement absolve parents of responsibility to feed their children. Hungry children turning up at school is a terrible problem, but unless parents take some responsibility (at least financially contributing to the breakfast program), expectations of the role of parents are diminished, further contributing to the core problem of diminished Indigenous responsibility.
9. At the same time, government is also failing to effectively deliver in areas where it does have responsibilities. For example, while free breakfast is outside of normal government responsibilities, high-quality schools in which children are able to learn is a core public service taken for granted by most Australians but absent from the lives of too many Indigenous people.
10. To address this situation and restore the appropriate balance of responsibility between Indigenous people and government, three shifts are needed:
 - First, government must step up and effectively fulfil its proper responsibilities.
 - Second, government must retreat from areas where it should not be exercising responsibility.
 - Third, Indigenous people must take greater responsibility for our lives and communities, with the support of government to build capabilities.

Figure 2.1: There is a need to rebalance the responsibilities of government and Indigenous people



11. The efforts of Indigenous people and governments to undertake these shifts and achieve empowerment should be guided by the concepts of mutual responsibility, self-determination and subsidiarity.

Mutual responsibility

12. Patently, Indigenous empowerment does not mean that government must abandon the field and leave Indigenous peoples to their own devices. Rather, the aim is to get the relationship right between government and Indigenous peoples based on the notion of mutual responsibility.
13. Indigenous people have a responsibility to act to achieve empowerment but cannot succeed alone; government too has a responsibility to support Indigenous empowerment.
14. Even where Indigenous peoples are the right party to take responsibility, governments can and must play an enabling role to help make this happen. The shift from governments as director/leader to enabler/partner will require a fundamental change in the way they currently see themselves.
15. Duties and obligations will run both ways: governments will owe duties and obligations to Indigenous people, and Indigenous people will owe duties and obligations to governments. Better outcomes from efforts will require both sides to uphold their responsibilities and to account to each other for performance and progress.

Duties and obligations will run both ways: governments will owe duties and obligations to Indigenous people, and Indigenous people will owe duties and obligations to governments.

Self-determination

16. Indigenous empowerment incorporates the principle of self-determination. This covers the concept of self-determining individuals, as equal citizens recognised as the Indigenous peoples of Australia; and recognises the potential for the self-determination of Indigenous peoples, with special rights in relation to their territories, within the life of the Australian nation.
17. The Commissioner into Aboriginal Deaths in Custody, the late Elliot Johnston QC, set out the most useful articulation of empowerment and its relationship to self-determination. In his final report, he stated that a:

prerequisite to the empowerment of Aboriginal people and their communities is having in place *an established method*, a procedure whereby the broader society can supply the assistance referred to and the Aboriginal society can receive it whilst at the same time maintaining its independent status and without a welfare-dependent position being established as between the two groups. That requires an adherence to the principles of self-determination, a concept which I think does not have a precise definition; it is a developing concept, one as to the limits of which there can be some disagreement but about which ... there is an enormous common area of agreement quite sufficient to allow progress to go forward with great benefit to Aboriginal people.¹ (emphasis added)

18. In its essence, this report is concerned with identifying and putting in place that very 'established method' of empowerment, which will enable the broader society, through its governments, to 'supply assistance' and for Indigenous people to 'receive' that assistance 'whilst at the same time maintaining its independent status' and 'without a welfare-dependent position being established as between the two groups'.
19. The policy proposals in this report define the method that will achieve empowerment.

Indigenous empowerment incorporates the principle of self-determination. This covers the concept of self-determining individuals, as equal citizens recognised as the Indigenous peoples of Australia; and recognises the potential for the self-determination of Indigenous peoples, with special rights in relation to their territories, within the life of the Australian nation.

¹ Johnston, E 1991, *Royal Commission into Aboriginal Deaths in Custody: National Report Volume 1* at paras 1.7.8, 1.7.9, 1.7.14, 1.7.18 and 1.7.19.

Subsidiarity

20. Critical to the practice of empowerment is a clear understanding of where responsibility best resides in a given context. The current practice of placing nearly all responsibility with central governments disempowers Indigenous people and impedes development. Instead, power and responsibility should be more widely shared among individuals, families and communities at the local, subregional and regional levels.
21. The best way to allocate responsibility is with reference to the principle of subsidiarity, which holds that authority for deciding or acting should rest as close as possible to the people affected by the decision or act. This means that primary human responsibilities should rest with individuals and families. Where some action or decision necessarily transcends the individual, authority must remain at the lowest appropriate level—that is, as close as possible to the individual.
22. The principle of subsidiarity originates in Catholic social teaching and is foundational to the institutions of many polities, such as the European Union, which has subsidiarity as one of its core general principles.^{2, 3} The Cameron Government in the United Kingdom has adopted a similar approach in recent reforms, with one of its five principles for ‘open public service’ stating that ‘power should be decentralized to the lowest appropriate level’.⁴
23. To apply the principle of subsidiarity in the context of Indigenous affairs, it is useful to consider the roles and capacities of different agents:
 - Individuals are the main actors of development. This means that for sustainable change to happen, individuals and their families must take responsibility for working towards a better life for themselves.
 - Indigenous collective agency is also critical for development. This includes the role of Indigenous community and regional organisations and leaders. Much of the decision-making that currently occurs within governments must occur at this level for true Indigenous empowerment.
 - Governments must meet their responsibilities for the provision of essential public goods by ensuring everyone has good solutions for education, health, infrastructure and security. This must be done without creating passivity and dependence and taking over areas of Indigenous responsibility (individual or collective). In other areas, governments must focus on acting as *enabler*, chiefly by contributing to the establishment of *enabling environments* for Indigenous people to empower themselves. This report will set out what is meant by the role of government as enabler.

The best way to allocate responsibility is with reference to the principle of subsidiarity, which holds that authority for deciding or acting should rest as close as possible to the people affected by the decision or act.

2 In his 1931 social encyclical, Pope Pius XI said it ‘is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they can accomplish by their own enterprise and industry. So, too, it is an injustice and at the same time a grave evil and a disturbance to right order to transfer to the larger and higher collectivity functions which can be performed and provided for by lesser and subordinate bodies.’

3 http://europa.eu/legislation_summaries/institutional_affairs/treaties/lisbon_treaty/ai0017_en.htm.

4 Open Public Services White Paper, HM Government, UK, July 2011.

What is meant by Development

24. All efforts must be directed towards achieving development. Indigenous Australian places and their people require development. It is by successfully tackling the development challenge through a policy of empowerment that we will be able to achieve our vision and close the gap.
25. The best definition of development is that presented by the Nobel laureate economist Amartya Sen, who values development as a means to expand the range of choices ('freedom') enjoyed by individuals.^{5, 6} This encompasses the full ambit of human activity, including social and economic development and other factors that contribute to wellbeing, including cultural development.
26. The development paradigm stands in stark contrast to the prevailing welfare paradigm in which government assumes responsibility for ending Indigenous disadvantage. Where development focuses on opportunity and setting people up for success, welfare only addresses disadvantage and wrongly assumes that income transfers and service provisioning can overcome it. The development paradigm is the only one compatible with empowerment and the only way to enable individuals and families to take responsibility for their lives and futures.
27. This report and the empowerment agenda it advocates represent a fundamental shift away from traditional Australian 'social policy' thinking about disadvantage and poverty. Domestic social policy has not taken Indigenous policy very far. The predicament of Indigenous Australians is not properly comprehended when it is understood as a problem of 'disadvantage'. Disadvantage is everything and nothing. It is not possible to grasp a policy handle on disadvantage. Development, on the other hand, has a definite policy pedigree—particularly in the field of international development—and poverty that is tackled via development has a wealth of policy precedent. Domestic social policy is amorphous and evidence of its success in Indigenous Australian affairs is plainly lacking. The failure of Indigenous affairs policy notwithstanding, almost 50 years of effort is in many respects a failure of Australian social policy.
28. Despite the fact that the predicaments faced in Indigenous Australia have all of the hallmarks of third-world poverty and the challenges of post-colonial reconstruction, there have never been prescribed development agendas equivalent to those pursued in third-world contexts, of which Australia is well aware from its foreign aid contributions. This report argues that there are *pockets* of third-world-like underdevelopment in our nation, where people are living in circumstances of underdevelopment. Therefore, what is needed is an 'internal development' agenda. A developed country, Australia, must confront the fact that it has pockets of underdevelopment in its midst, which is underpinning gross disparity for Indigenous Australian communities, and therefore development must be the policy response.

A developed country, Australia, must confront the fact that it has pockets of underdevelopment in its midst, which is underpinning gross disparity for Indigenous Australian communities, and therefore development must be the policy response.

⁵ Sen A 1999, *Development as Freedom*, New York: Oxford University.

⁶ The work of Amartya Sen has had a profound impact on the approach to development around the globe and has formed an integral component of the reform agenda advanced in the Cape York region over the last 10 years (see Pearson N 2005, *The Cape York Agenda*, address to the National Press Club, Canberra).

A model for development

29. Based on the international development literature and the experiences across the eight Empowered Communities regions, several critical factors necessary for development have been identified and presented here as a model.
30. More precisely, we present a model for individual and family development: individuals—not communities or governments—are the principal actors in development when they pursue opportunities for a better life for themselves and their families. The model, therefore, is about creating an enabling environment for individuals to take responsibility for their own lives and seek better prospects for themselves and their families. Such an enabling environment has three critical elements.
31. First, strong social and cultural values must be the foundation of family and community life. These foundations provide the social compact of the community and set out what is expected of its members. These expectations include the responsibility of adults to ensure that children attend school every day, that capable adults are in work, and that homes and communities are safe and are ‘home’ in the true sense of the word.
32. Second, development requires that people have the capabilities to exercise meaningful choices and pursue opportunities. This requires that individuals and families are supported with good investments in children’s services, education, training, job-search assistance, skill development and health.
33. Third, incentives must be in place that encourage individuals to take responsibility for creating a better life by pursuing opportunities. In essence, this means that those who work hard and play by the rules must be able to expect some benefit—that effort is rewarded.
34. The greatest distortion is the absence of rational incentives due to passive welfare payments and passive service delivery. If income, housing and other elements of material welfare are guaranteed regardless of personal responsibility, individuals are robbed of the key driver for taking charge of their own lives. This leads to a negative spiral of reduced aspirations, motivation, passivity and dependence. In contrast, with the right incentives, people will choose to build their lives by investing in their own capabilities and seeking returns on their efforts through employment or enterprise.
35. Therefore, an enabling environment for individual development involves strong social and cultural foundations, investments in capability building and rational incentives. This requires several critical inputs including:
 - good public services (e.g. education and health) and infrastructure
 - enabling economic institutions (in other words, markets covering labour, land, capital, goods and services)
 - good governance and leadership.
36. The presence of services relating to children, education, health, youth, law and justice, as well as investments in infrastructure, is critical. Such services are necessary to support individuals and families to build their capabilities. Perhaps most critical among these services are those directed squarely at building family self-efficacy through measures such as budgeting and managing the family income and engaging parents with their children’s education and family health. Strong family capability then provides a foundation for development, with individuals able to look after themselves, attain work and contribute to their communities.



37. However, services also risk compounding the passive welfare problem. Many services continue to be delivered in a way which undermines incentives for individuals to take responsibility for their lives. To overcome this challenge, services should be designed with a rigorous and demonstrable consciousness of their incentive effects and a focus on building capability. They must be subject to the test: does this service seek to undertake or support a responsibility that would normally be assumed by individuals, families or communities? This is the test of subsidiarity; it requires individuals and families to be given those responsibilities that they are best placed to exercise.
38. An enabling environment for development also requires the presence of strong economic institutions, including markets for labour, land, capital, goods and services. These institutions create the opportunity to participate in the economy and build wealth. This in turn provides individuals with the incentives to develop their capabilities through education and the incentives for people to benefit from work.
39. Though it is less tangible than for services, governments also have a role here in promoting strong economic institutions. In particular, governments should undertake procurement and tax reform necessary to stimulate local economies and Indigenous businesses and should support Indigenous-led land reforms.
40. Development requires a clear space for collective agency based on strong local and regional governance and leadership. Effective leaders at all levels (from the family to the national level) play a critical role creating the conditions necessary for development described here. While individuals are the drivers of development, alone their ability to create an enabling environment is severely limited. Only with a strong space for collective action and leadership is it possible to overcome the development barriers faced in each of the Empowered Communities regions.

What is meant by Productivity

41. The Productivity Commission estimates that \$30.3 billion was spent by Australian governments on services for Indigenous Australians in 2012–13. This equates to \$43,449 per person, approximately twice the rate of expenditure on other Australians.⁷ The level of expenditure juxtaposed against limited progress on the ground starkly illustrates the productivity problem: a huge flow of inputs is achieving very few outcomes in terms of the social, economic and cultural progress of Indigenous Australians. In response, a comprehensive productivity agenda is required to improve outcomes with the available resources.
42. A productivity agenda must entail greater efficiency and effectiveness in spending across Indigenous affairs. In relation to efficiency, there are great opportunities for savings across a wide swathe of expenditure. In particular, efficiency gains would be realised through:
 - reduced duplication across different departments and the different levels of government
 - less red tape and reporting imposed by government
 - decreased reliance on middlemen by placing more responsibility with Indigenous people on the ground.

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

⁷ SCRGSP (Steering Committee for the Review of Government Service Provision) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra.

43. These measures are consistent with the Australian Government's focus on achieving efficiency across all areas of expenditure and are outlined in more detail in Chapter 4.⁸
44. Greater productivity must also involve increased *effectiveness*: obtaining improved outcomes with available resources through several measures. First, rather than responding indiscriminately to the vast ambit of identified 'need', funding must be funnelled towards investing in development to achieving long-term and sustained outcomes. As outlined below, this must involve investing in Indigenous-led, place-based development agendas.
45. Second, there must be a focus on rigorous monitoring and evaluation in close connection to the ongoing efforts of Indigenous people to lead change on the ground. Chapter 6 outlines how a strong system of monitoring and evaluation can be used to support learning and adapting by all parties throughout the implementation process.
46. Third, there must be sufficient flexibility to shift funding away from unproductive investments and towards investments that achieve outcomes. It must be possible to shift funding from stagnant areas towards promising, innovative initiatives. This approach should include a focus on performance-based funding, where funding is increased for programs, regions and organisations based on achieving progress against agreed performance metrics.⁹
47. This approach will necessarily involve tough decisions when deciding between competing worthy priorities. However, only when funding is consistently funnelled towards a development approach will there be broad progress on agreed outcomes.
48. Further to productivity gains in the use of public money across Indigenous affairs, this agenda encompasses productivity gains across the economy due to the impact of higher rates of successful Indigenous economic participation. Such gains will be achieved as a result of successful development that builds the capabilities of Indigenous people. This potential is demonstrated in a 2014 report by Deloitte Access Economics, which estimates that if outcomes for Indigenous people across education, employment and life expectancy increased to match non-Indigenous Australians by 2031, the nation's economy would be \$24 billion (or 1.15 per cent) larger than would otherwise be the case. This example illustrates the gains to the broader Australian society that would flow as a result of improved Indigenous outcomes.

⁸ Australian Public Service Commission, *State of the Service 2012–13*.

⁹ Moran M, Porter D and Curth-Bibb J 2014, *Funding Indigenous organisations: improving governance performance through innovations in public finance management in remote Australia*, Issues paper no. 11, Closing the Gap Clearinghouse, Canberra.

Reform principles

49. To create an enabling environment for development, it is necessary to establish a set of principles against which all inputs to Empowered Communities regions can be tested. This is the policy reform test.
50. The Indigenous Empowerment policy reform test (see Box 2.1) captures a set of principles that would provide the 'reform funnel' through which all policies, funding and programs must be filtered. As such, the principles should guide the efforts of Indigenous people, governments and non-government organisations in all work in Indigenous affairs.

To create an enabling environment for development, it is necessary to establish a set of principles against which all inputs to Empowered Communities regions can be tested.

Box 2.1: Indigenous Empowerment policy reform test

The Empowerment test: Is what is proposed consistent with the Indigenous Empowerment policy?

The Development test: Is what is proposed supported by the international lessons of development?

The Productivity test: Is what is proposed the most productive use of the available resources and opportunities?

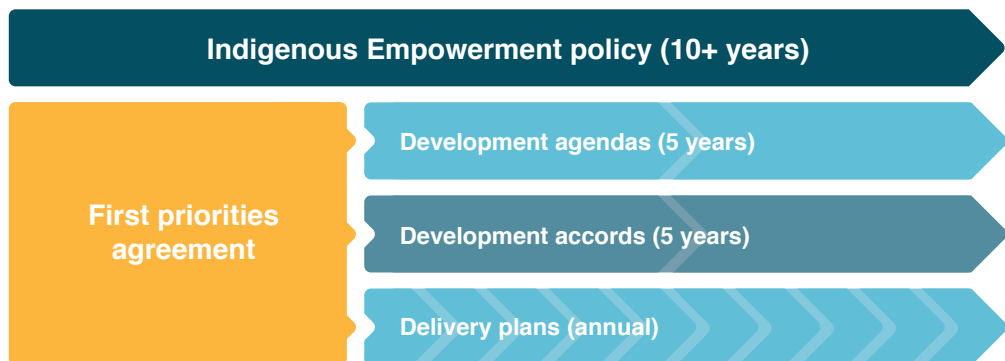
51. The principles underpinning this three-part test will need to be further refined and detailed so that they may be put into practice. Future work should be conducted with reference to the discussion of empowerment, development and productivity provided in this report. In the same way as the National Competition Policy unpacked the meaning and application of the competition policy through progressive iterations in various sectors of the economy, the Indigenous Empowerment policy will be further articulated as the policy is rolled out. This work should be guided by the following higher-level principles:
 - (a) the principle of subsidiarity
 - (b) the principle that all policy and resource inputs are put through the same funnel
 - (c) the principle that Indigenous regions and communities participate on an opt-in basis
 - (d) the principle that all governments and Indigenous regions and communities align and commit to the policy by agreement
 - (e) the Indigenous leadership principle
 - (f) the principle that while the pursuit of tactical actions may be short term and the adoption of strategic directions may be medium term, the commitment to the Indigenous Empowerment policy is long term and not subject to chopping and changing with government changes.

To ensure that the principles of Indigenous Empowerment are effectively applied, all governments and participating Indigenous regions must commit to these principles and align their activities.

The reform framework

52. To ensure that the principles of Indigenous Empowerment are effectively applied, all governments and participating Indigenous regions must commit to these principles and align their activities. To achieve this, this report proposes the establishment of a framework of legislation and agreements (Figure 2.2). This framework is fundamentally concerned with empowering individuals, families and communities to achieve change on the ground. From the national to the local level, each level is about facilitating and enabling action on the ground.

Figure 2.2: Reform framework



National policy agreement and legislation

53. To establish mutual agreement and enforceability at a national level, this report proposes that the Indigenous Empowerment policy be adopted by all participating governments through a formal agreement that is binding for as long as it takes for the goals of the policy to be secured—at least 10 years. The Empowered Communities regions that have opted into this policy should be parties to this agreement. This long-term horizon, extending beyond the electoral cycles of all participating governments, will provide the stability necessary for sustained implementation and progress.
54. It is further proposed that legislation be developed and enacted at the national, state and territory levels within three years of the national policy agreement. This three-year window will provide the time necessary for testing the policy's implementation, comprehensive engagement with affected parties, and the involvement of Empowered Communities representatives in the drafting of the legislation.

To drive the implementation of the Indigenous Empowerment policy on the ground, each region will need to establish development agendas. Development agendas will be prepared by the Indigenous people of an Empowered Communities region.

Development agendas and accords

55. To drive the implementation of the Indigenous Empowerment policy on the ground, each region will need to establish development agendas. Development agendas will be prepared by the Indigenous people of an Empowered Communities region. In some regions, development agendas may be prepared at the subregional level or by separate communities and brought together into a regional agenda to address common areas of interest or economies of scale. They will last for the medium term, around five years, and will set out the region's social, economic and cultural development goals for that period. They will be focused on promoting enabling environments for development consistent with the development model outlined in this report.

56. The development agendas would form the basis for formal development accords with government, establishing a binding commitment to achieving the goals of the development agendas. The accords would help establish a level playing field on which Indigenous parties can work with governments, and would be overseen by a proposed Indigenous Policy Productivity Council (described in Chapter 5).
57. Development accords would be established to last for the medium term, perhaps five years, providing the stability necessary to focus all parties on achieving the objectives of the development agenda. The accords would include mechanisms to direct expenditure according to the priorities in the development agenda (and therefore could be called ‘investment agreements’).
58. Each accord will be centred on a set of defined and quantified goals with associated strategies for their achievement. The accords should also identify indicators used to measure progress and provide scope for reporting on how each party is meeting its responsibilities. Yearly delivery plans would also be established, as described further in Chapter 6.

First priorities agreements

59. Developing fully fledged, place-based development agendas and accords may take up to two years to settle in each region. Based on past experience, sufficient time is necessary to ensure high-quality agreements, with sound strategies and the strong shared ownership of Indigenous people and government. But this timeframe should not be an obstacle for making immediate progress on high-priority areas. Accordingly, first priorities agreements should be established in the interim to focus immediate action on the following goals:
 - that children are enrolled and attend school every day and are school ready and that parents are actively involved in their children’s education
 - that children and other vulnerable people are cared for, healthy and safe in their families, and that families at risk are urgently supported to care for their children so that those children can remain with their families; and where children are removed from their families, that every effort be made to ensure that families can be supported to restore a caring and safe environment for their return— and that the safety and welfare of the children remain the paramount concern
 - that all capable adults participate in either training or work
 - that all community members living in social or public housing abide by the conditions related to their tenancy in public housing, and those community members wishing to transition from rental accommodation to private home ownership are supported
 - that communities work to urgently and seriously tackle the problems of domestic violence and alcohol and drug abuse, and ensure that communities are safe and the rights of all community members are recognised and respected under the law and under the social and cultural values of the communities.
60. These first priorities agreements should not await the more comprehensive development agendas and associated accords, or the funding processes that are proposed for them. Rather, the aim should be for governments to engage with the Empowered Communities to agree on these first priorities and agreed actions to give effect to them.

Empowered Communities is fundamentally about facilitating place-based development. A critical component of this focus is a regional place-based approach covering the eight regions and including provisions for other regions to opt in down the track.

The Empowered Communities regions

61. Empowered Communities is fundamentally about facilitating place-based development. A critical component of this focus is a regional place-based approach covering the eight regions and including provisions for other regions to opt in down the track. The eight Empowered Communities are:
 - Cape York, Queensland
 - Central Coast, New South Wales
 - East Kimberley, Western Australia
 - Goulburn-Murray, Victoria
 - Inner Sydney, New South Wales
 - Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands, Central Australia
 - North-east Arnhem Land, Northern Territory
 - West Kimberley, Western Australia.
62. These eight significant regions span remote, regional and urban Australia, and cross Western Australia, South Australia, the Northern Territory, Queensland, New South Wales and Victoria. They include many remote communities, homelands, regional towns and urban hubs.

The opt-in principle

63. The Empowered Communities reforms will only be pursued on an opt-in basis—anything else would be an anathema to this empowerment agenda. This applies to both organisations within our regions as well as additional regions that may want to opt in. Over time, as success is demonstrated, it can be expected that more leaders, organisations and places would opt in and benefit from the reforms established.
64. Regarding opt-in of organisations within the current eight Empowered Communities regions, each region has developed opt-in criteria suitable to its circumstances. Some common features of these criteria include a strong role for Indigenous leadership and a track record of successfully driving development. Enforcing these opt-in criteria across each region will drive greater collaboration and alignment focused on achieving development.
65. Creating a process for other areas to opt in will be an important consideration for future legislation. Postponing the addition of new regions until this time will provide the opportunity to test and refine how Empowered Communities works and avoid overburdening the system by trying to achieve too much, too soon. Given this approach, there must be significant opportunities for involvement from across Australia in the development of the proposed Empowered Communities legislation.

The Empowered Communities reforms will only be pursued on an opt-in basis—anything else would be an anathema to this empowerment agenda.

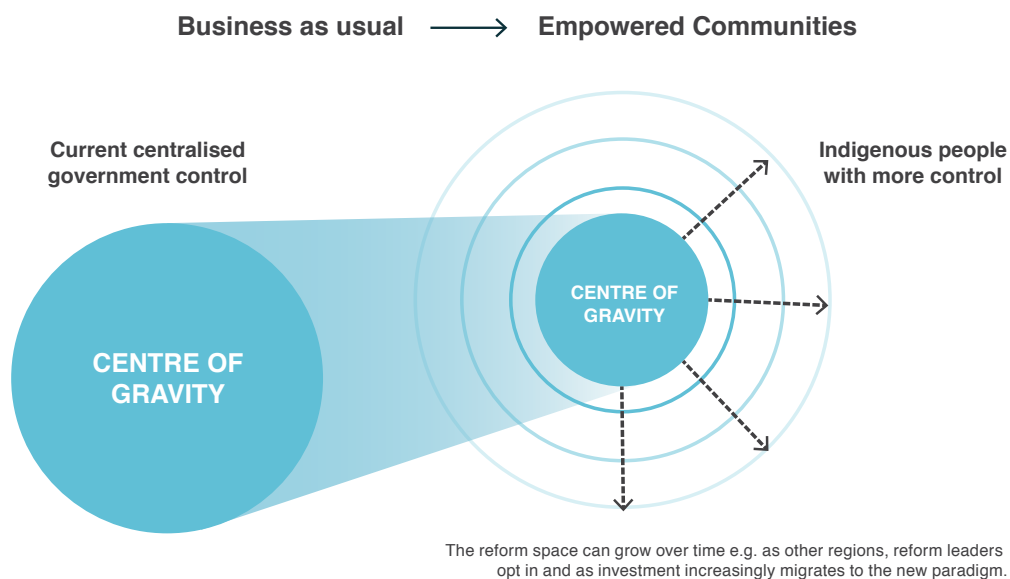


The paradigm shift

66. This Indigenous Empowerment policy necessitates a paradigm shift that will create a new centre of gravity in Indigenous affairs. As the reforms are pursued, their impact will expand over time, deepening in the original eight regions and spreading to other regions as well.
67. The problem with the current paradigm of Indigenous affairs is that it is sclerotic. Its centre of gravity is the old disempowerment, based on passive welfare and government overreach into areas where Indigenous people need to be responsible, and neglect in areas of proper government responsibility. It is not based on productivity and development. It is therefore not possible to reform the current space occupied by Indigenous affairs. Rather, a new space must be located—based on empowerment, productivity and development—and Indigenous affairs must be migrated to this new paradigm. This means that in the new space, every policy, every program and every investment must pass the Empowerment, Development and Productivity tests (as previously outlined in Box 2.1). Figure 2.3 describes what is meant by the shift to a new paradigm.

This Indigenous Empowerment policy necessitates a paradigm shift that will create a new centre of gravity in Indigenous affairs.

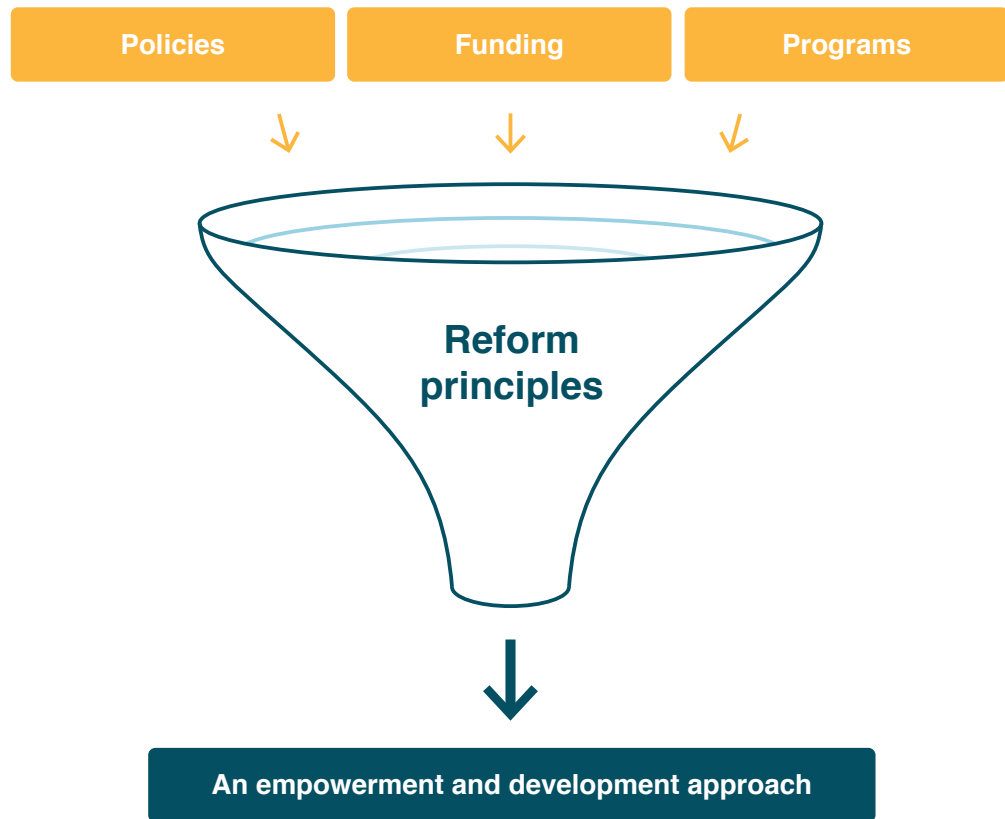
Figure 2.3: A paradigm shift is required



The reform funnel

68. Despite the challenges, the paradigm shift is possible provided all efforts are filtered through the reform funnel (Figure 2.4). This means the consistent application of the reform principles and adherence to the development agendas established in the regions. This will only be possible with the proposed legislative and agreement-making framework.
69. The reform funnel means that no policy, program or investment decision passes without being consistent with the Indigenous Empowerment principles as reflected in the agreed development agendas and their associated agreements. The proposed Indigenous Policy Productivity Council will oversee this reform funnel to ensure that all parties (governments and Indigenous communities) are following the reform agenda.

Figure 2.4: The reform principles provide a funnel through which all policy, program and funding inputs are filtered to ensure Indigenous empowerment



It's about the long term

The Indigenous leaders of the eight Empowered Communities that are proposing this reform policy have an unshakeable belief that the empowerment, development and productivity principles set out in this Indigenous Empowerment policy are the correct policy for the long term.

70. Given our starting point, achieving the vision and closing the gap will be a long journey. The reforms proposed here—the headline policy and associated accords—provide the long-term, stable strategy necessary to guide this journey. By placing greater responsibility closer to the ground, these reforms also offer the flexibility required to make the tactical adjustments necessary to respond to circumstances on the ground. The following chapters provide greater detail of the institutional innovations required to successfully navigate this journey.
71. Committing for the long term is itself a reform. The headline policy will be wrong in the first place and on first principles if it does not provide the correct policy for the long term. The correct policy will transcend changes in the political cycles and the waxing and waning enthusiasms of ministers and individual leaders. The correct policy today will be the correct policy in 10 years' time.
72. The Indigenous leaders of the eight Empowered Communities that are proposing this reform policy have an unshakeable belief that the empowerment, development and productivity principles set out in this Indigenous Empowerment policy are the correct policy for the long term.

3. Reform leadership: Getting Indigenous leadership behind the reform policy and regional and local development agendas

1. Currently, governments and Indigenous people do not work effectively together to lead and drive positive changes across local, regional and national levels. There is a level of frenetic chopping and changing, and policy pulsing, that comes with electoral cycles and as the political pendulum swings from left to right. Key decision-makers are not in it for the long haul, and are rarely in it long enough to learn from their decision-making over time and to be able to use the sum of that experience to drive better outcomes. Fresh-faced ministerial enthusiasms at the state and national level ensure that decision-making in Indigenous policy feels much like a merry-go-round—replete with the same old traps and reinvented wheels.

Leadership agreement and partnership

2. Long-term leadership alignment to the Indigenous Empowerment policy is vital to success. Creating an enduring reform leadership to provide a level of continuity over time and across changes of government must be approached with the same level of solemn and dogged commitment as was the case with the National Competition Policy. A formal agreement will be required, just as it was under the National Competition Policy.
3. The formal, binding agreement that participating governments will enter into to adopt the Indigenous Empowerment policy for a 10-year period should also outline a commitment between governments and Indigenous people to a new partnership under Empowered Communities. The agreement should enshrine the fundamentals of the partnership and ensure that it is built to last.

Getting the partnership right—governments and Indigenous peoples

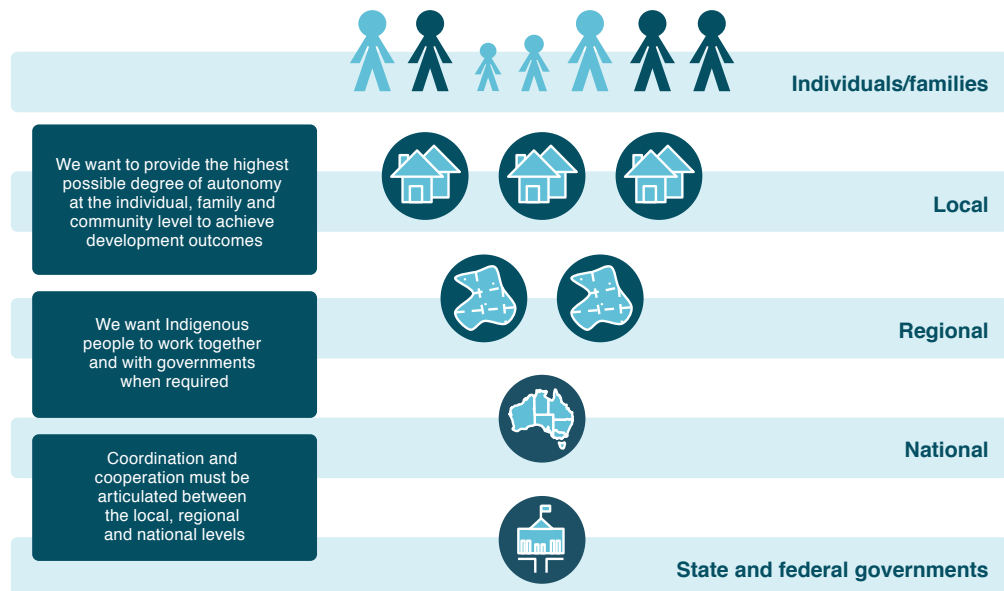
4. The enormity of the challenge presented by the extreme minority status of Indigenous people is exacerbated by a lack of appropriate institutions, structures or interfaces through which Indigenous people can take responsibility and be heard and represented in Indigenous affairs. Unlike similar developed settler countries, such as the United States and New Zealand, Indigenous engagement in Australia is not based on a comprehensive legal framework or a treaty that enshrines certain rights for First Peoples, or which gives First Peoples significant levels of control over their affairs.

Creating an enduring reform leadership to provide a level of continuity over time and across changes of government must be approached with the same level of solemn and dogged commitment as was the case with the National Competition Policy. A formal agreement will be required, just as it was under the National Competition Policy.

Only Indigenous people can drive Indigenous development, but the right kind of support from governments is also required. Mechanisms are needed to articulate coordination and cooperation at the local, regional and national levels.

- Only Indigenous people can drive Indigenous development, but the right kind of support from governments is also required. Mechanisms are needed to articulate coordination and cooperation at the local, regional and national levels. These mechanisms must facilitate collective agency within the Indigenous world, and provide a key means for Indigenous reform leadership to partner with governments to drive development.
- These mechanisms must abide by the principle of subsidiarity, as it is the transformation of people and places that lies at the heart of our development challenge, and the empowerment of individuals and families is our key goal. The partnerships that are required at a national and regional level are only proposed so that there is an enabling framework for place-level development agendas. Figure 3.1 shows the levels through which the right partnership must align leadership to the Indigenous Empowerment policy and articulate the right roles and responsibilities at each level.

Figure 3.1: Long-term leadership alignment to the Indigenous Empowerment policy is vital to success



Local to regional

- The aim of Indigenous Empowerment is to enable local communities—in places such as Amata, Derby, Hope Vale, Kununurra, Redfern, Shepparton, La Perouse, Nhulunbuy or Wyong—to participate in the Empowered Communities framework in order to advance the development of their peoples and their places.
- Coordination and cooperation must be articulated between the local and regional levels so that Indigenous people can work together and with governments when required, but also to provide the highest possible degree of autonomy at the individual, family and community level to achieve development outcomes.
- Some past partnership approaches have fallen into the trap of presenting a very wide scope of topics for planning, consultations and engagement at the local level. For example, local implementation plans (LIPs) required communities to identify

priorities and actions across all seven of the Closing the Gap building blocks. In the first round of LIPs across the country, more than 4,000 discrete activities were identified but often not pursued. It proved impossible for local Indigenous leaders to hold governments to account for these commitments, meaning successive LIPs often listed the same priorities, year after year. Reflecting these difficulties, only 34 per cent of service providers surveyed as part of an evaluation believed LIPs had been effective in generating change.¹

10. While there must be a level of autonomy for local level groups to decide their own priorities and have a voice in their own development, the power and resource differential is such that it is not possible for Indigenous people to deal with the 'octopus' of all levels of government effectively on every issue at the local level. The primacy of the subsidiarity principle must be carefully applied. For example, there will be aspects of land use and economic development that must be dealt with at the local level (e.g. planning to create local jobs, local mining, tourism or other business development). Other aspects will require a regional approach (e.g. to ensure appropriate infrastructure exists to connect locations to markets, or ensure a regional approach is taken to support industry development, such as in the case of tourism). Some service delivery areas may heavily depend on local input to ensure any solution responds to local needs, for example, in terms of health where particular local beliefs, understandings or practices must be understood to prevent problems or to respond to them effectively.
11. Creating a regional partnership between Indigenous people and governments that builds on the geographical and cultural diversity of Indigenous peoples is critical and can provide powerful assistance to deliver local results. Previously, the Aboriginal and Torres Strait Islander Commission's Regional Councils had some success in bringing together diverse local interests and working with local, state and federal governments on larger strategic issues that could not be effectively pursued on a community-by-community basis.

While there must be a level of autonomy for local level groups to decide their own priorities and have a voice in their own development, the power and resource differential is such that it is not possible for Indigenous people to deal with the 'octopus' of all levels of government effectively on every issue at the local level.

Regional to national

12. Just as there are issues for which partnering with governments and others at the regional level is essential, for some issues national level coordination and collaboration is required. At the national level, action must be *enabling* for the local and the regional levels. For example, under Empowered Communities, an ongoing national partnership will be required to progressively articulate and enact the more detailed set of reform principles that form part of the Indigenous Empowerment policy. These must be based on the foundation of input and engagement filtered through the local and regional levels.

Indigenous leadership

13. The partnership required, and to be created under Empowered Communities, must allow for a far higher level of Indigenous agency and autonomy in decision-making than is currently the case. Currently, when solutions to Indigenous issues are put forward, Indigenous people can lobby, act as advisers, protest, or try to have a say in the media. Indigenous people may sometimes be 'consulted' by government, but this does not usually involve meaningful engagement, much less leadership. There is no guaranteed, sustained and systematic method through which Indigenous people can have a say in the matters that directly affect them.

¹ Australian Government 2014, *National Partnership Agreement on Remote Service Delivery Evaluation 2013*, Evidence and Evaluation Branch, Canberra.

It is only when Indigenous people really feel that they can have an effect on activities or programs, and that their own decisions are going to have an effect, that they will truly have 'skin in the game'.

It is Indigenous people that have the most intimate understanding of the circumstances that must be confronted, who are best placed to drive solutions, and who can be held to account by Indigenous people over the long term.

14. The Indigenous development challenge is not a technical problem that can be fixed by outside expertise, particularly when that expertise is delivered from the centre by those who may never have even been to the Indigenous places impacted and who have little understanding of Indigenous lives. The leadership that is required can in large part only come from the people whose lives and futures are at stake, those who are in it for the long haul. It is Indigenous people that have the most intimate understanding of the circumstances that must be confronted, who are best placed to drive solutions, and who can be held to account by Indigenous people over the long term. It is only through empowered Indigenous leadership that efforts to close the gap can truly have the longevity needed to outlast the life of any particular minister, government or service provision contract.
15. Past partnership approaches in Indigenous affairs—most notably shared responsibility agreements and related Council of Australian Governments trials, regional partnership agreements and local implementation plans—did not correctly establish the fundamental balance required for an effective and enduring partnership. Each of these previous partnership approaches was found to have failed because they created only limited and narrowly defined space for Indigenous leadership, influence and control. There was a failure to transfer meaningful responsibility to Indigenous people.
16. The new partnership to be established with governments under Empowered Communities must put Indigenous people in the position of senior partner when it comes to determining Indigenous futures.

A pervasive Indigenous leadership is required

17. A pervasive notion of Indigenous leadership must be promoted to turn the tide on Indigenous disadvantage. This must entail recognition of the reality that the Indigenous development challenge will only be met through individual and family transformation. Leadership at the family level is critical to bring about change. Further, Indigenous leadership is required collectively also at the local, regional and national levels. Unless Indigenous leadership at each of these levels is ignited, Indigenous people will simply not be able to make themselves visible, heard and influential in the corridors of power in order to determine their own destinies.

The adaptive challenge of Indigenous leadership

18. The adaptive challenge of how to activate Indigenous development in Australia must start with Indigenous leadership. This adaptive challenge is a substantial one, and has not been successfully dealt with. Noel Pearson recalls the time when former Prime Minister, Paul Keating, penetrated the heart of the adaptive challenge of Indigenous leadership when he stated:

I am not sure whether Indigenous leaders can ever psychologically make the change to come into the process, be part of it and take the responsibility that goes with it. That is, whether they believe they can ever summon the authority of their own community to negotiate ... on their behalf.²

² Quoted in Pearson, N 2009, *Up from the Mission, Selected Writings*, p. 8.

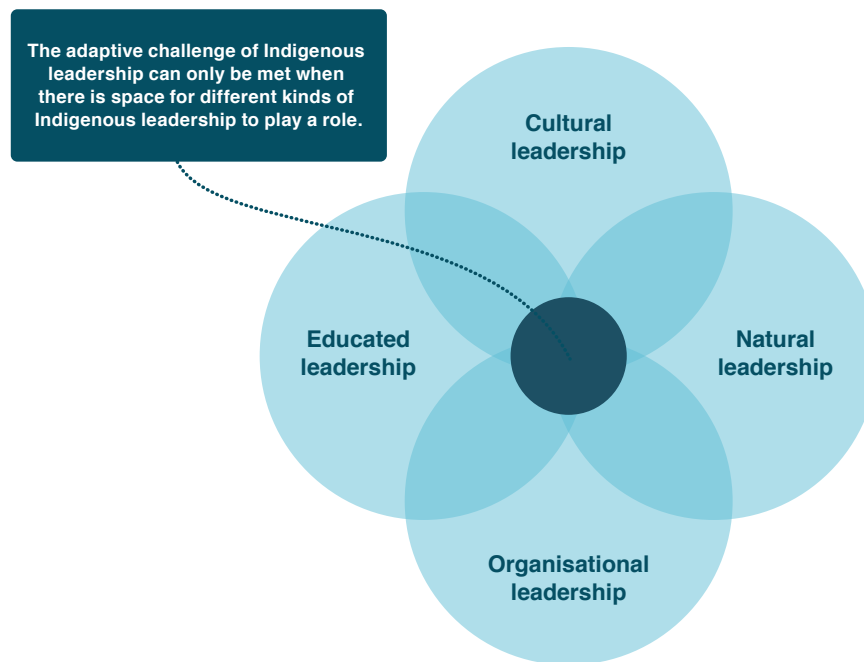
19. Indigenous leadership in both traditionally oriented and non-traditionally oriented settings is complex. It is usually highly localised and highly dependent on context, and may have organisational, familial, residential, age and gender dimensions. This system of Indigenous leadership and authority is often imperceptible or invisible to those outside it, and it is often trampled by governments' usual way of doing business. Instead, mainstream culture seeks to interact with Aboriginal authority figures in its own image—that is, a sole, male, authorised spokesperson, often the head or elected representative of a peak Aboriginal organisation.
20. There is not, and never has been, a permanent or hereditary chief role in traditional Aboriginal societies. Traditionally, owners of land speak on behalf of their own country and only if they are continuously authorised by their own community. Indigenous authority structures provide a dispersed, intimate and layered knowledge of place and space where there is little requirement for totalising hierarchies. It is a serious breach of traditional Indigenous protocol to make generalisations about places and communities for which you have no authority.
21. In contemporary political life, Indigenous leadership figures are often caught between two stereotypes. The first stereotype is that leaders are the urbanised elite, who engage in national policy debates but who may hold only fragments of their ancestral language and culture and are often accused of 'acting white'.³ The counterpart is leaders who are the traditional owners of remote Australia still in possession of their ancestral Aboriginal cosmologies. These leaders are seen as authentic, if ultimately doomed, and assumed to be incapable of interacting with the modern political world. Indeed, one solution suggested with some regularity by non-Indigenous people is that in areas like North-east Arnhem Land a powerful white administrator or coordinator should be installed to deal with the modern world, providing the leadership that it is thought Indigenous people themselves are not capable of providing.⁴ The failure of Indigenous education over many decades clearly has had an adverse impact on the ability of remote regions to confidently deal across the complexity of issues that require engagement with the mainstream—but relying on a powerful white administrator is ultimately not an acceptable or indeed workable solution within an Indigenous Empowerment paradigm.
22. The reality is that all Indigenous peoples and places must undertake some transformation to ensure their leadership can engage effectively with the social, cultural, economic and political dimensions of wider Australia. Indigenous development success needs leaders who can act at the regional level, the state level and at the level of the Australian nation. Adapting authority structures to respond to post-colonial reality is part of the work of progress for Australian Indigenous people, and this challenge must be confronted in the bush and in the city. As this transformation occurs, space must be retained for different domains of Indigenous leadership—including cultural, organisational, natural and educated leadership (see Figure 3.2). These domains, and indeed the persons occupying them, will overlap—no domain operates in isolation from other domains.

The reality is that all Indigenous peoples and places must undertake some transformation to ensure their leadership can engage effectively with the social, cultural, economic and political dimensions of wider Australia.

³ Pearson, N 2009, *Up from the Mission, Selected Writings*, p. 25.

⁴ Rothwell, N 2015 'Pathways to indigenous empowerment', *The Weekend Australian*, Inquirer, 31 January – 1 February, p. 17; Hirst J 2015, 'Broken indigenous communities can't be healed by Canberra bureaucrats', *The Australian*, 12 February; Hirst, J 2007, 'The myth of a new paternalism', *The Australian*, 26 June.

Figure 3.2: Domains of Indigenous leadership



Cultural leadership

Cultural leadership must continue in this traditionally oriented sphere, but must also have a respected place where there is intersection with the leadership in other domains.

23. Indigenous people continue to have cultural leaders who undertake ancestral responsibilities for maintaining and protecting Indigenous laws, traditions, systems of knowledge, and jurisdictional rights and interests. There are leaders of extended families, clan groups and kinship groups. There are leaders of ceremony, ritual, sacred sites, songlines and Dreaming tracks. There are leaders who are holders of restricted knowledge, and separate leaders for men’s and women’s business. Cultural leadership must continue in this traditionally oriented sphere, but must also have a respected place where there is intersection with the leadership in other domains.

Empowerment is about enabling Indigenous people to take ownership of the changes needed to succeed in contemporary Australia.

24. It will fall to Indigenous peoples to make adjustments so their cultural traditions can coexist with success in the modern day. This is a challenge that faces many other traditional societies, including peoples from different cultures who maintain their heritage and participate successfully in modern life in Australia. For example, the timetabling of ceremonial business requiring travel may need to be adjusted to ensure that children can always attend school and acquire an education. This kind of reform must be negotiated among the Indigenous leadership across domains, and ultimately such decisions must be made and supported by the cultural leaders. Andrea Mason from the NPY Women’s Council speaks about the need for traditional communities in the desert to articulate a ‘modern Aboriginal law’ that enables them to deal with the changed circumstances and challenges of modern life. Empowerment is about enabling Indigenous people to take ownership of the changes needed to succeed in contemporary Australia.

Natural leadership

25. There are many Indigenous people who provide natural leadership, and through their actions are positive role models in their families and communities. These natural leaders affirm and rebuild the social and cultural values of their communities and peoples to strengthen respect, responsibility, care, friendship and kinship in ways that honour their inherited cultures and traditions, including through modern expression of these values in response to contemporary life. For example, natural leaders manage the family income to ensure that the needs of the children are met, they are often working hard to provide for their families rather than relying on welfare, and they ensure that children go to school every day and grow up in a safe environment. These natural leaders can imagine a prosperous future that involves walking in both worlds for their families and their communities, and they are taking steps toward that future, taking their children and other family members with them wherever they can. This kind of natural leadership is often found within women's groups or church groups but is often not recognised by governments and little is done to encourage, nurture and grow it. Indeed, natural leadership is often shut down or smothered, unintentionally or otherwise, and it is often crowded out by organisational leadership.

These natural leaders can imagine a prosperous future that involves walking in both worlds for their families and their communities, and they are taking steps toward that future, taking their children and other family members with them wherever they can.

Organisational leadership

26. Indigenous organisational leadership have a critical role to play. Nonetheless, Empowered Communities will have failed if it serves only to cement organisational leadership (which often by its nature heavily overlaps with educated leadership). Whether elected, local or regional, organisational leaders must perform important dual roles as enablers as well as leaders. Organisations must understand that although they may be treated as authoritative in their dealings with government, they play a critical role in enabling other forms of Indigenous leadership and not crowding them out, especially cultural and natural leadership. Current systems demand that organisational leaders are often focused on upward accountability to funders and to government, rather than being primarily focused on downward accountability to the people and places they have been established to serve.
27. Marcia Langton has recently described the problems associated with the fragmentation or 'Balkanisation' of Indigenous governance with the proliferation of small, under-resourced governance organisations in the post-native title world. For the 548,370 Aboriginal and Torres Strait Islander people in Australia, there are something like 5,000 Indigenous corporations and other organisations.⁵ These governance arrangements are not sustainable and cannot effectively promote development. Some rationalisation of Indigenous governance is required over the long term.

Organisations must understand that although they may be treated as authoritative in their dealings with government, they play a critical role in enabling other forms of Indigenous leadership and not crowding them out, especially cultural and natural leadership.

Educated leadership

28. Indigenous people must continue to grow the ranks of their educated leadership. It is through education that Indigenous cultural, natural and organisational leaders will attain the skills, capabilities and confidence to walk in both worlds, keeping their culture strong while operating with confidence in the mainstream.

It is through education that Indigenous cultural, natural and organisational leaders will attain the skills, capabilities and confidence to walk in both worlds.

⁵ Langton, M 2015 (forthcoming), 'Maximising the potential for empowerment: the sustainability of Indigenous native title corporations', in S Brennan, M Davis, B Edgeworth and L Terrill (eds), *Native Title from Mabo to Akiba: A Vehicle for Change and Empowerment?* Federation Press: Sydney.

Supporting and building an Indigenous reform leadership

29. Through Empowered Communities, each of the eight regions so far involved—whether urban, regional or remote—has begun the process of developing and organising improved governance arrangements that can meet the adaptive challenge of Indigenous leadership. For Empowered Communities, this must involve building a coalition of Indigenous reform leaders. This Indigenous reform leadership will be defined by several characteristics.
30. First, to be part of this Indigenous reform leadership, leaders must commit to the Indigenous Empowerment policy. This commitment is given when a decision is made to opt in. Governments will be entitled to demand that Indigenous reform leaders make good on their commitment, and lip service will not be enough. There cannot remain an expectation that governments will continue to operate a welfare show or take on responsibilities that must be performed by Indigenous reform leaders.
31. Second, Indigenous reform leaders must take responsibility for improving outcomes. This includes when the data show that things are not working as was hoped. Indigenous reform leaders must take responsibility for driving improved outcomes to be captured in the next set of data. Currently this does not occur. For example, when the all-too-disappointing outcomes are set out at the start of each parliamentary year in the annual Closing the Gap report, where is the Indigenous leadership that sees it as an indictment on their failure as much as that of government?
32. The responsibility for outcomes under the Indigenous Empowerment policy must rest with Indigenous reform leaders at a threshold of at least 51 per cent. The remaining 49 per cent may indeed depend on matters that fall appropriately within the bailiwick of government responsibility, such as whether there has been an appropriate level of resourcing or government cooperation and so on. Currently, government bears the burden of responsibility for ongoing failures and Indigenous leaders shoulder very little. Until responsibility for improved results shifts so that it rests equally on the shoulders of Indigenous reform leaders, the results will not improve.
33. Third, Indigenous reform leaders under Empowered Communities and governments will create a mutually reinforcing cycle of effort and action by ‘holding onto the reform flag’—the reform flag holds a stake in the ground that cuts across the silos that are entrenched in the current arrangements. The dynamic of competing, and even mutually hostile, silos of governments (within and across levels of government) plays out in unproductive and dispiriting ways at the community level. These silos mean that local people working in organisations that deliver health services on the ground, for example, may be more consumed with the agendas of the health department silo at the central level, of which they form the frontline. So rather than coordination and cooperation at the frontline service level, the territorial, political and personality conflicts between the silos play out in a tragic way on the ground. People’s behaviour is more determined by their vertical obligations within their particular organisations than to any common strategy or reform policy. By making the ‘reform flag’ the common agenda of all players, both on the frontline and further up the departmental silos, problems of conflict and lack of coordination and cooperation can be ameliorated and minimised. Indigenous suffering cannot continue to be held hostage to the perverse ways in which siloed government plays out on the ground.

Until responsibility for improved results shifts so that it rests equally on the shoulders of Indigenous reform leaders, the results will not improve.

By making the ‘reform flag’ the common agenda of all players, both on the frontline and further up the departmental silos, problems of conflict and lack of coordination and cooperation can be ameliorated and minimised.



34. Under the Empowered Communities initiative, Indigenous leaders have begun to build on what already exists at the local and regional levels, taking up one side of the ‘empowerment bargain’ to design and develop improved Indigenous governance arrangements that can harness collective action for positive change. Government must recognise and enable the *Indigenous reform leadership* being supported and built under Empowered Communities leaders so that a strong coalition can act to bring about development outcomes.

Government as enabler

35. Within the framework of Indigenous Empowerment, the role for governments under the new Empowered Communities partnership must change. Government at the macro level sets the policy frameworks for the country, makes laws, addresses market failure and manages the finances. Without government as a partner, the fundamental reforms sought in Empowered Communities will falter. However, with the adoption of a policy of Indigenous Empowerment, the role of government and its representatives is fundamentally different to the role it has historically played in Indigenous affairs. Government and its representatives need to come to the table willing to act as enablers and facilitators in an Indigenous-led process, not as the primary fixers of problems.
36. This requires a radical shift not just in responsibilities, but in behaviours and attitudes of the key partners. Indigenous reform leaders are expected to step up and assume the lead role in driving challenging reforms in their regions and collaborating across opt-in organisations. Government partners, on the other hand, need to take a step back and participate in support of Indigenous leaders and their place-based development agendas. This does not mean that government takes a passive role. Government is an active partner. Its representatives come with valuable knowledge, experience and responsibilities that the other partners do not have.
37. The role of enabler is not a natural fit for most government ministers or public servants who are used to leading from the front. It requires an ability to listen and understand what is being proposed from outside government—to create the environment in which Indigenous people can act as the senior partner in negotiations and to drive outcomes, and initially at least, a preparedness to help bridge knowledge and capability gaps if they exist. It requires a capacity to recognise good strategies and proposals developed by others and a willingness to actively look for ways to add value, to make government work as it should in support of good reform ideas. It may mean tackling government silos and blockages to pave the way, identifying funding sources, garnering support from key agencies. An effective enabler also has the capacity and integrity to be honest and open about perceived shortcomings in strategy or performance, and the ability to provide constructive advice that strengthens confidence rather than undermines it.
38. It will be a new experience for government people to be invited to engage in negotiations about regional investment decisions based on proposals and strategies developed by Indigenous people themselves through their development agendas. New ways of operating will need to be learned and new skills developed as government people, along with Indigenous leaders, adapt to their different roles under the Indigenous Empowerment paradigm. The role of enabler, working side by side with Indigenous leaders, is one that senior corporate people have played very effectively in the Empowered Communities through the Jawun learning network. While the role of government representatives is a different one, much can be learned from the Jawun experience.

It will be a new experience for government people to be invited to engage in negotiations about regional investment decisions based on proposals and strategies developed by Indigenous people themselves through their development agendas.

39. Enabling is not a top-down system of government involvement. An effective government enabling role creates the space and opportunities for Indigenous people and communities to thrive. To some extent, this means relinquishing or sharing traditional power, and devolving it to the community, the region and to Indigenous people.

Inside-out, not top-down or bottom-up

40. Top-down, centralised approaches that usurp Indigenous leadership with bureaucratic ‘command and control’ have failed time and time again. Such approaches serve only to reinforce Indigenous passivity. Except perhaps for those few non-Indigenous people who advocate for a return to the white administrator/missionary style of control, top-down solutions are not seriously contemplated as being effective, even among those who work to deliver solutions within the highly centralised bureaucracy.
41. Bottom-up approaches are frequently said to be what is required. But while this idea may be given lip-service, it too is unlikely to be either feasible or effective. On their own, Indigenous people struggling at the ground level do not have all the answers to the complex issues that they face.
42. Both top-down and bottom-up approaches are simplistic, and acting in pursuit of either serves only to frustrate, fragment or fatigue Indigenous-led efforts to take responsibility. All wisdom does not come from either the top or from the bottom, but rather can be found if a reform leadership partnership is developed that is able to work from the ‘inside out’.
43. All the leaders involved in the Empowered Communities partnership, whether Indigenous, government or corporate, need to open themselves up to the ideas, knowledge and experience of the others. From where each partner sits, another partner’s world can seem complex and difficult to navigate. Government and big corporates can be large, complicated machines. They have valuable support to offer if you know where to look and how to make them work for your circumstances. The Aboriginal world can seem equally complex from the outside looking in, particularly for distant governments. Pulling the strands together from the leadership of each of these essential partners provides the best chance at success for the Empowered Communities reforms. From design through to implementation and delivery, getting the best that each partner has to offer will be critical. The reform plan set out in this report will only succeed if each partner makes the conscious effort to be inclusive and receptive to the ideas, knowledge and experience of the other partners, constructively challenging each other to get it right.
44. For example, it is a misrepresentation to say that alcohol restrictions were imposed from the top onto communities in Queensland, in Fitzroy Crossing (Western Australia), through the Groote Eylandt Liquor Management System (Northern Territory) and the Tennant Creek Alcohol Management Plan (Northern Territory). In each case, governments listened to Indigenous people with experience and knowledge who identified the reform needed and acted on their concerns. The ongoing engagement between the two groups should have been stronger as the reforms were delivered, but nevertheless this was at least in part an inside-out collaboration. The Wunan Foundation’s Living Change initiative also provides an example of the potential of inside-out practice—those most intimately affected by the initiative have led its development and design. They have drawn on support from the corporate sector, through Jawun, in developing their proposals,

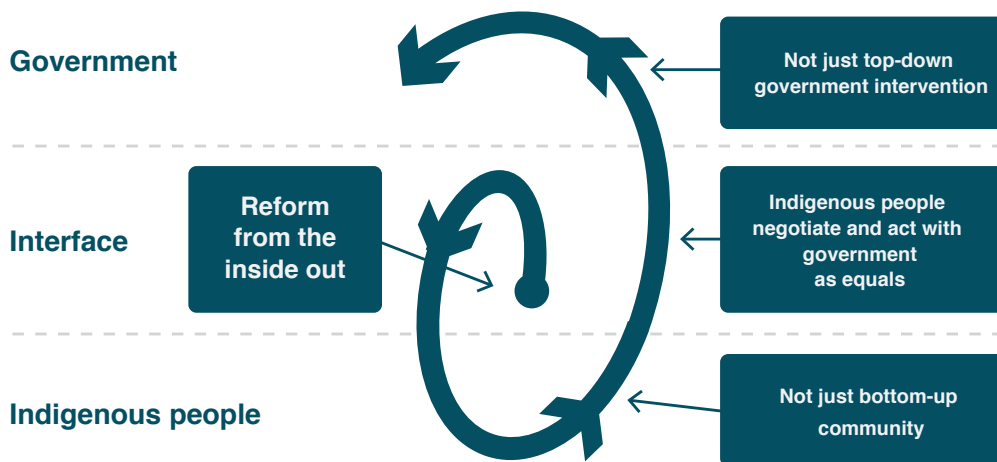
All wisdom does not come from either the top or from the bottom, but rather can be found if a reform leadership partnership is developed that is able to work from the ‘inside out’.

and are engaging the knowledge and expertise of state and national governments in the further design and delivery of the initiative. Cape York Welfare Reform provides another example.

Three voices to provide the basis of collaboration

45. In all Empowered Communities regions, effective reform leadership will require the inside-out collaborations for the new partnerships to be effective (Figure 3.3).

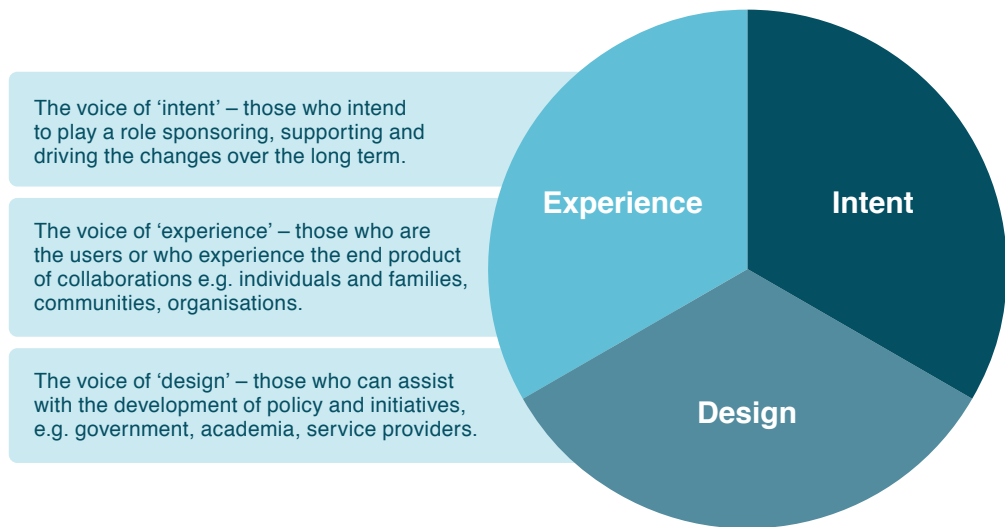
Figure 3.3: Inside-out collaborations must replace simplistic top-down or bottom-up approaches



46. Such inside-out collaborations require the involvement of what has been described by Second Road⁶ as three kinds of ‘voices’:
1. The voice of ‘intent’—those who will be affected by change and who intend to play a role supporting and driving the changes over the long term. Government and service providers cannot possess this intent for Indigenous peoples and places; whereas senior women who are advocates for change possess intent, even though they may not hold formal organisational leadership positions.
 2. The voice of ‘experience’—this includes people who are the end users, and must include the (often bitter) experience of those at the grassroots level who have ‘been there and done that’—individuals, families, communities, organisations.
 3. The voice of ‘design’—this may include people from government or academia who understand government, systems, power and politics, and who can assist with the development of policy and initiatives (see Figure 3.4).

⁶ Second Road is a Sydney-based consulting firm that helps organisations design solutions for complex challenges (see www.seconroad.com.au).

Figure 3.4: Three voices must be involved in inside-out collaborations



The Empowered Communities leadership

47. In each of the Empowered Communities regions, there are leaders and Indigenous organisations that are leading reform efforts to drive development. There is both the desire and the capacity across this network of Indigenous reform leaders to take on more responsibility for decision-making and for ensuring that better outcomes are achieved.
48. The reform leadership that has gathered behind the banner of Empowered Communities is diverse—and it straddles the usual dichotomies that polarise Indigenous affairs and Indigenous leadership. This leadership hails from the bush in the central desert and the far north to the inner city. The Empowered Communities leadership includes those who are strong on rights, and those who are strong on responsibilities. It is for both symbolic solutions, and for practical ones. It is strong on structural change, and strong on behavioural change.
49. While none of the leaders involved in the Empowered Communities initiative is one-dimensional, each has a different emphasis and perspective across this spectrum. For example, Paul Briggs is a determined advocate for the recognition of the rights of his Yorta Yorta people, and argues that reconciliation is needed in the town of Shepparton to overcome the social exclusion that continues to prevent Indigenous people in this area from taking up jobs and other opportunities. Paul's perspective resonates with other leaders struggling with local and regional relationships between Indigenous and non-Indigenous communities that have long and difficult histories. Social and economic exclusion and racism are first-order challenges. Nolan Hunter from the West Kimberley is also a well-known rights campaigner, including in international Indigenous peoples forums at the United Nations, where he argues for recognition of Indigenous peoples' rights to manage their country and develop cultural business enterprises.

This leadership hails from the bush in the central desert and the far north to the inner city. The Empowered Communities leadership includes those who are strong on rights, and those who are strong on responsibilities. It is for both symbolic solutions, and for practical ones. It is strong on structural change, and strong on behavioural change.

50. With a somewhat different focus, Ian Trust from the East Kimberley region emphasises the need for Indigenous individuals and families to take up a level of responsibility to help them navigate through the perils of a welfare-dominated society, so that they can make the most of their abilities and the opportunities that are available in the modern world. In Cape York, Fiona Jose champions the rebuilding of Indigenous authority as part of Indigenous peoples' 'right to take responsibility'—an agenda developed by Cape York leaders and promoted since 1999 by Noel Pearson.
51. Andrea Mason in the Central Desert leads very practical efforts focusing on preventing domestic violence and ensuring safety, and supporting the education of women from the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Lands. Shane Phillips from Redfern and Chris Ingreys from La Perouse in Sydney have a heavy focus on breaking the cycle of disadvantage by focusing on working with young people, and in the case of Redfern this has involved reconciliation and the formation of a close partnership with police to turn around a serious drug and crime problem. Sean Gordon provides leadership focused on business and economic development, as well as the social development of Indigenous people of the NSW Central Coast. Denise Bowden works for Indigenous people of Arnhem Land who seek to promote a deeper two-way understanding of their culture through the annual Garma Festival, and who have a remarkable and proud history of unrelentingly seeking the symbolic and practical recognition of their peoples within the nation, including from the bark petitions in 1963, the Barunga Statement of 1998, through to the current day.
52. Empowered Communities harnesses a broad church of Indigenous reform leaders and their energy and drive for achieving change toward a shared vision. Each of the Empowered Communities leaders is committed to working with other Indigenous reform leaders in their regions. This must occur in a way that is respectful of cultural and natural leadership—creating and maintaining space for this type of leadership to flourish. It also builds on the existing organisational and educated leadership, and provides an improved method through which all can collectively drive change.

Opting in is fundamental—these reforms are for people with a desire and capacity to drive reform. Each region has developed opt-in criteria in order to continue to attract those with credibility, legitimacy and a track record as reform leaders to opt in and sign up to the Empowered Communities approach.

Local and regional governance

53. Governance arrangements under Empowered Communities are being developed to provide the means to drive development at the local and regional levels. They allow for a strong collective of Indigenous leaders and organisations to pursue their common goals set out in place-based development agendas.
54. Opting in is fundamental—these reforms are for people with a desire and capacity to drive reform. Each region has developed opt-in criteria in order to continue to attract those with credibility, legitimacy and a track record as reform leaders to opt in and sign up to the Empowered Communities approach.
55. Table 3.1 shows the general characteristics of opt-in organisations.

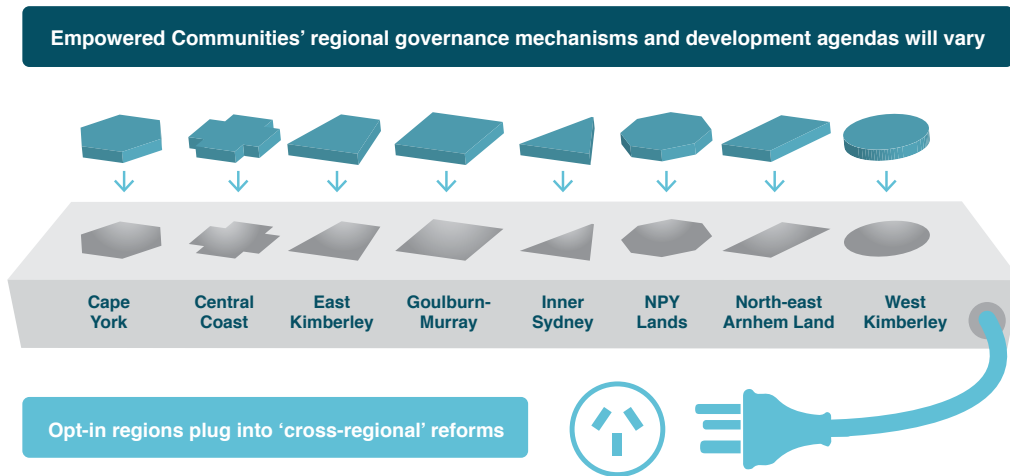
Table 3.1: Characteristics of opt-in organisations

Indigenous led	<ul style="list-style-type: none"> • The organisation must be an Aboriginal organisation or body (registered or incorporated)
Cultural authority	<ul style="list-style-type: none"> • The organisation must have legitimacy – supported by leaders with cultural and organisational authority • The organisation must be representative of its member communities or provide a service to the people of the region • It must have the agreement of its member communities to opt-in
Commitment to all EC principles	<ul style="list-style-type: none"> • It must commit to all principles of Indigenous Empowerment • All board members of an organisation must live the values of Empowered Communities – they must ‘walk the talk’
Achieving outcomes	<ul style="list-style-type: none"> • The organisation must be able to demonstrate a history of successfully driving development
Strong governance	<ul style="list-style-type: none"> • The organisation must sign an opt-in agreement setting out the terms of opt-in • It must have sound governance and stable organisational foundations • It must have proper processes for information flow and decision making to its member communities, ie, sound downward accountability mechanisms
Cooperation	<ul style="list-style-type: none"> • Members agree to work together for the mutual benefit of all Indigenous organisations and peoples of the region
Regional	<ul style="list-style-type: none"> • The organisation must be based and operate within the agreed regional geographical boundaries

Regional governance arrangements

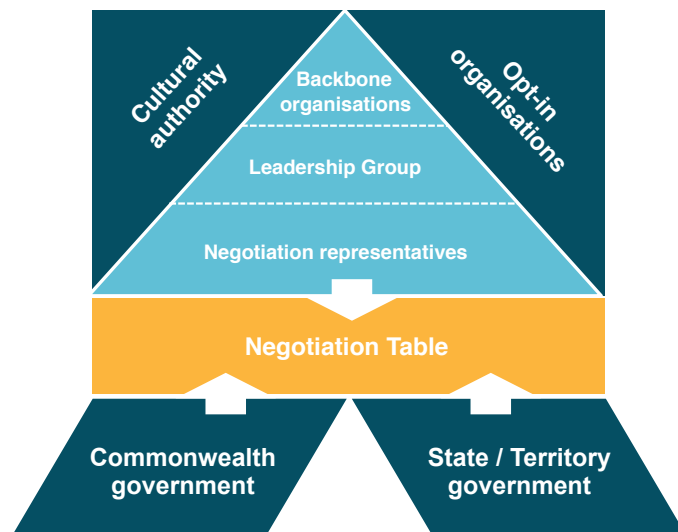
56. The governance arrangements through which an Indigenous reform leadership can operate are a matter for Indigenous people to develop and implement, although enabling support will be required from government. Governance arrangements will vary from region to region, depending on context and local circumstances. The governance arrangements will vary in terms of the arrangements put in place to ensure cultural authority is respected and appropriately engaged – there has been no attempt to codify this in any way under Empowered Communities, as this business is best left to each of the regions.
57. It is through the regionally specific improved governance arrangements that have begun to be developed and put in place in each region under Empowered Communities, and then the place-based development agendas, that regions will be able to plug into the broader, cross-regional Empowered Communities reforms, including the Indigenous Policy Productivity Council, the reform principles, and funding reforms that incentivise development (see Figure 3.5).

Figure 3.5: Empowered Communities' regionally specific elements allow regions to plug into the broader package of reforms



58. Part 2 of this report outlines the history, challenges and vision of each of our regions in some detail, and also describes the design and development of regional governance arrangements. While the details of each region's governance arrangements are not repeated here, there are common features worth highlighting. These are: a reform collective of opt-in organisations; a backbone organisation; a leadership group (e.g. steering committee or board); and cultural legitimacy. Each region also plans to use a regionally developed interface mechanism such as a 'meeting place' or 'negotiation table' through which Indigenous representatives will negotiate with governments as required. Figure 3.6 illustrates the common features of the regional governance arrangements and Figure 3.7 illustrates the key roles within the governance arrangements.
59. Each of the regions has been strongly supported by Jawun through secondees from the corporate sector in their regions. This support will continue and will be a common element across our regions through the implementation of Empowered Communities. It will provide ongoing capacity building and new ideas and input for our regions and organisations.

Figure 3.6: Common elements of regional governance arrangements



Backbone organisations

60. A backbone organisation will be nominated in each region to perform a secretariat function and offer other support throughout the regional governance arrangements.
61. The backbone organisations will work closely with the leadership groups. In the first phase of Empowered Communities, the backbone organisations will have a heavy focus on building the development agenda across their region. It will be responsible for developing drafts of the development agenda and undertaking consultations with other Indigenous-led organisations and Indigenous people. In doing this, the backbone organisations will be subject to the guidance of the Indigenous leadership groups. The backbone organisations will also have an ongoing role driving engagement across the region and providing administrative support at meetings with government.
62. A key role of backbone organisations will be to play a lead in developing shared measurements systems, targets and trajectories as part of the monitoring and evaluation framework. This will require staff with specific skill sets to ensure there is capacity at the regional level for the backbone organisations' role in monitoring and evaluation.

The backbone organisations will work closely with the leadership groups. In the first phase of Empowered Communities, the backbone organisations will have a heavy focus on building the development agenda across their region.

A leadership group and cultural authority

63. Given the number of opt-in organisations that may be involved in the Empowered Communities initiative, each region will establish a small steering committee or board to provide a manageable number of representatives selected or elected by the opt-in organisations. This leadership group will work closely with the backbone organisation and provide a sounding board and first point of advice before matters are taken to the broader Empowered Communities collective.
64. In each of the regions, there is strong leadership across the network of potential opt-in organisations that can carry and support the establishment of place-based development agendas.
65. The involvement of leaders with cultural authority will strengthen the legitimacy of the governance structure. In some regions, this may be through a council of elders, while in other regions it may occur through the authority of those involved in the organisations themselves or the standing of individuals on the leadership group.

This leadership group will work closely with the backbone organisation and provide a sounding board and first point of advice before matters are taken to the broader Empowered Communities collective.

Regional interface mechanisms

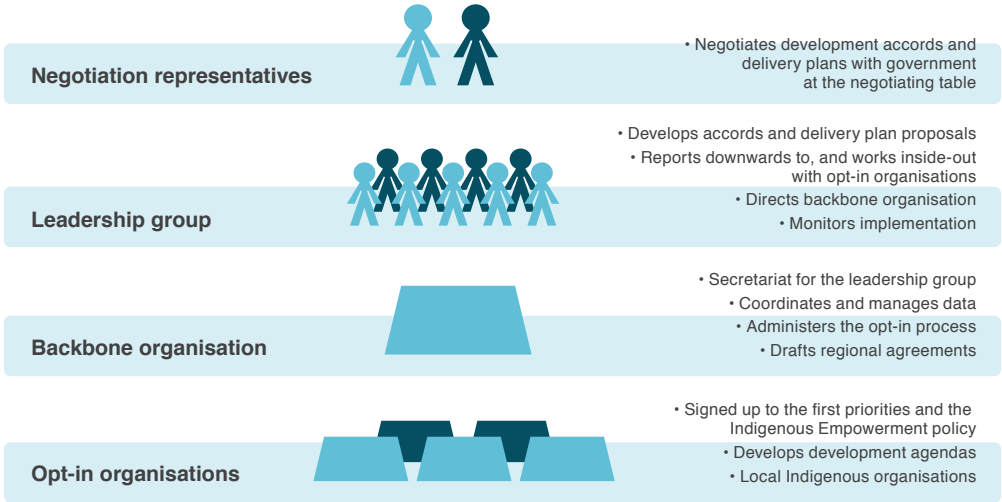
66. The regional governance arrangements will include an interface mechanism so that the 'Indigenous side' can interface with government, such as through a 'meeting place' or 'negotiation table'. Although the terminology may differ from region to region, the main function of the regional interface is the same—engagement with government on local or regional priorities; for example, it may provide a key forum to negotiate agreements with governments.
67. Representatives from the Indigenous partners at the regional interface will include those from the leadership group and representatives of other opt-in organisations where relevant. Representatives of the Indigenous Policy Productivity Council may be invited to participate, along with government representatives. From time to time, the parties may wish to include subject matter experts at these forums.

The regional governance arrangements will include an interface mechanism so that the 'Indigenous side' can interface with government, such as through a 'meeting place' or 'negotiation table'.



- 68. The meeting place or negotiation table is the forum in the first instance to address regional issues. If issues cannot be resolved, the Indigenous Policy Productivity Council has the power to intervene and provide mediation or, where agreed, expert determination in relation to disputed issues. The main role of the Indigenous Policy Productivity Council is holding government and Indigenous partners accountable. This means ensuring that all parties are answerable for commitments made at the meeting place or negotiation table, or otherwise through agreements.
- 69. Meeting place or negotiation table forums could be held regularly or on an exception basis, depending on the needs and design of the regional governance arrangements. The regional interface will play a role in disseminating regularly collected and analysed implementation data so that improvements and adaptations to policy, programs and services can be made. This would enable successes and challenges to be shared with key stakeholders.

Figure 3.7: Indigenous governance arrangements to set priorities and make decisions for the region



Toward a national representative body

- 70. While the Empowered Communities proposals put forward ideas to improve governance arrangements at the local and regional levels to enable local development outcomes, a national representative body is ultimately also needed.
- 71. A national Indigenous body is needed to consult with and advise parliament so that Indigenous people get a proper say in matters that affect Indigenous lives. The proposal for this national interface is not explored in this report. However, it is an integral part of our envisioned package of reforms to build Indigenous empowerment, responsibility and leadership into the national institutional framework for Indigenous affairs. The establishment of a national Indigenous body in the Constitution should be considered as part of the package of reforms to effect Indigenous recognition.

4. Incentives supporting reform: Aligning incentives and investing in development agendas, not just programs

1. Current funding arrangements entrench and exacerbate Indigenous disadvantage and dysfunction, rather than ameliorate it. There are five systemic problems that underpin ineffective and inefficient funding arrangements.

Five systemic funding problems in Indigenous affairs

2. First, we have *expenditure growth without achieving outcomes*, a situation that cannot be tolerated any longer. A more effective approach is needed to achieve development outcomes.
3. Second, *the current approach is almost entirely supply driven*. Public funds are directed by Canberra, Perth and so on, with little or no demand-side input from Indigenous people.
4. Third, there is a *large industry with vested interests servicing Indigenous dysfunction and disadvantage*. There is truth in Andrew Forrest's assertion that the employment services industry, for example, has become a 'cash barbeque'.¹
5. Fourth, there are *too many layers of bureaucratic process and red tape* that must be navigated before funding 'hits the ground'.
6. Fifth, there is an *ongoing lack of transparency* around funding spent in localities and regions, which prevents better investment decisions from being made.

Expenditure growth without outcomes cannot be tolerated

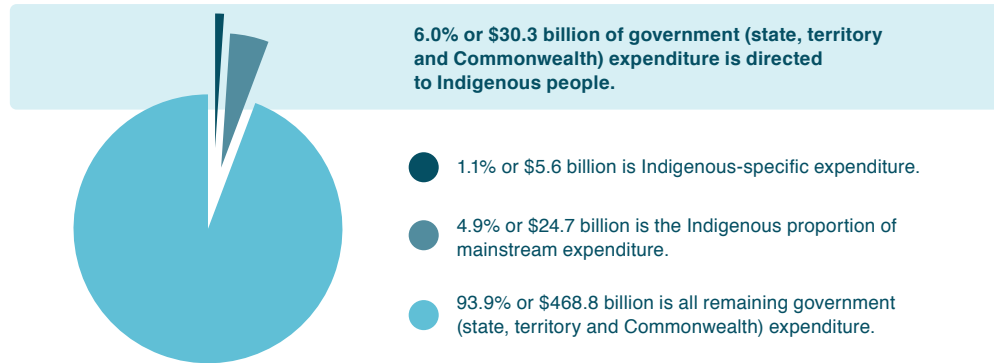
7. The productivity challenge presented in Indigenous affairs is that there are far too few outcomes achieved for the money that is spent. The amount of tangible change that can be seen for the substantial level of investment is frustratingly small and there is a desperate need to achieve stronger results with the funds available.
8. As shown in Figure 4.1, it is estimated that \$30.3 billion (or 6 per cent of total direct expenditure) was spent by states and territories on services for Aboriginal and Torres Strait Islander Australians in 2012–13. Estimated expenditure per person in 2012–13 was \$43,449 for Aboriginal and Torres Strait Islander Australians, compared with \$20,900 for other Australians. While much of this expenditure is on mainstream services (\$24.7 billion) used by all Australians, a portion is described as specifically addressing Indigenous disadvantage (\$5.6 billion). Mainstream expenditure is apportioned using measures of Aboriginal and Torres Strait Islander and non-Indigenous service use. Where individuals have little direct impact on

The productivity challenge presented in Indigenous affairs is that there are far too few outcomes achieved for the money that is spent.

¹ Forrest A 2014, *Forrest Review: Creating Parity*, Australian Government, Canberra.

expenditure (for example, in defence), Indigenous expenditure is estimated using the Aboriginal and Torres Strait Islander share of the total Australian population.²

Figure 4.1: Commonwealth, state and territory expenditure on Indigenous people (mainstream and Indigenous specific), 2012–13, amount and percentage of total



Source: Steering Committee for the Review of Government Service Provision (SCRGSP) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra.

9. The \$22,550 per person difference in total expenditure between non-Indigenous people and Indigenous people in 2012–13 is attributed to the combined effects of:
 - greater intensity of service use (\$15,438 or 68.5 per cent)—because of greater need, and because of the younger age profile of the population
 - higher cost of providing services (\$7,112 or 31.5 per cent)—for example, because of location, or because targeted services are provided in addition to mainstream services (for example, Indigenous liaison officers in hospitals).³
10. Poor results drive increases in spending and services to respond. The National Commission of Audit concluded that ‘growth in Indigenous spending and programs has largely been driven by ongoing poor outcomes for Indigenous Australians and various attempts to address this’.⁴ The announcement of the Closing the Gap framework and various national partnerships to address poor outcomes for Indigenous Australians has resulted in significantly increased levels of investment. Many governments talk up the unprecedented level of investments to help address Indigenous disadvantage, but there is little to boast about when it comes to demonstrable outcomes.⁵
11. There is a clear need not merely to sharpen what is being done, but to stop what is being done and do something entirely different. Neither governments nor Indigenous people can expect to draw on an increasing pot of budget appropriations. Many programs don’t work but continue to receive funding regardless. Like the bewitched broomsticks in *The Sorcerer’s Apprentice* that continue to multiply, new initiatives are piled on top of old ones that have failed. Simply doing more, by way of providing more services and more programs, cannot produce a different result.

Growth in Indigenous spending and programs has largely been driven by ongoing poor outcomes for Indigenous Australians and various attempts to address this

² SCRGSP (Steering Committee for the Review of Government Service Provision) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra. Much Indigenous-specific expenditure is not simply ‘on top of’ that which Indigenous Australians might benefit from by being Australians. A large proportion of it is substituted for expenditure that would normally be provided via mainstream assistance programs (e.g. Community Development Employment Projects for Newstart).

³ Ibid.

⁴ National Commission of Audit 2014, *Towards Responsible Government*, Australian Government, Canberra, www.ncoa.gov.au/index.html.

⁵ Australian Government 2014, *Closing the Gap: Prime Minister’s Report*, Australian Government, Canberra; Australian Government 2015, *Closing the Gap: Prime Minister’s Report*, Australian Government, Canberra.

A rigorous strategy must be applied to ensure funding is used more productively to support Indigenous development.

There is an iterative relationship between supply and demand when it comes to responsibility, empowerment and services.

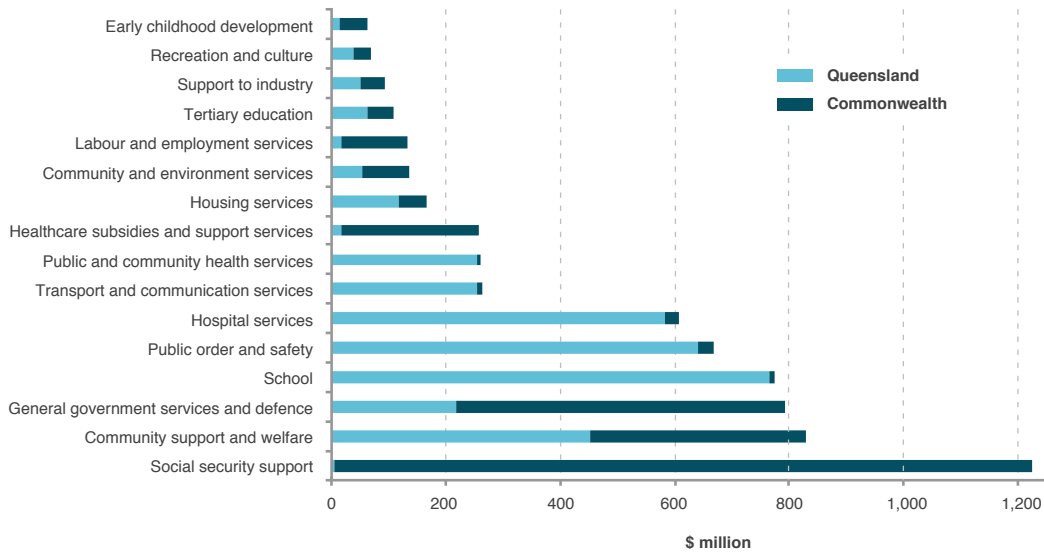
Where government provides services directly to Indigenous people, it is funder, purchaser and provider. There is simply no avenue through which Indigenous people, the users of the services, can exercise choice.

12. Taxpayers and Indigenous people themselves should rightly expect better outcomes for the amount of public funds expended. A rigorous strategy must be applied to ensure funding is used more productively to support Indigenous development.

A supply-driven approach

13. The current funding regime in Indigenous affairs is almost entirely supply driven. Public funds are centrally directed by Canberra, Darwin and so on to address the huge array of Indigenous need in a too-often indiscriminate and incoherent way—with very little regard to the views of Indigenous people about their development needs and no direct feedback loop that results in improved service delivery. It is not a demand-driven system. It is a supply-driven system that shows signs of having been captured by the suppliers.
14. There is an iterative relationship between supply and demand when it comes to responsibility, empowerment and services. Improvements in demand can cause improvements in supply, and improved supply can in turn generate demand. Yet in Indigenous affairs, there is no demand-side input at either the program level or the macro level to determine funding allocation to different program areas.
15. Where government provides services directly to Indigenous people, it is funder, purchaser and provider. There is simply no avenue through which Indigenous people, the users of the services, can exercise choice or even influence in any real way the spending patterns or the actual services provided and their quality.
16. Where government is not funder, purchaser and provider, then they are both funder and purchaser when they engage non-government organisations (NGOs) as providers. For non-Indigenous NGOs providing services to Indigenous people, principal accountability is to government under the terms of the funding contract. It is hard to find examples of accountability to the people who are meant to benefit. It is government as the funder that will decide if a provider will get another contract.
17. At the macro level, despite rhetoric from all governments about the importance of promoting Indigenous responsibility, economic development, education, jobs, home ownership and business creation, public funds continue to flow through a welfare paradigm.
18. Taking Queensland as an example, by far the largest category of spending on Indigenous people is in the form of social security support, with annual expenditure of more than \$1.2 billion in 2012–13, as shown in Figure 4.2.

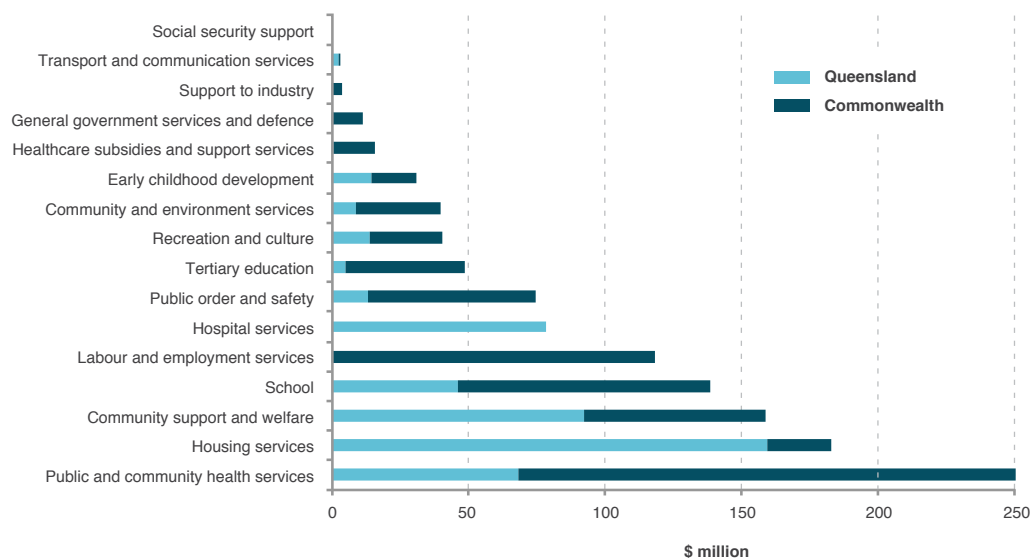
Figure 4.2: Commonwealth and Queensland mainstream expenditure on Indigenous people across sectors, 2012–13



Source: Steering Committee for the Review of Government Service Provision (SCRGSP) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra.

19. Likewise, in terms of the Indigenous-specific spending shown in Figure 4.3, passive services and the welfare model dominate.
20. For example, as illustrated in Figure 4.3, a substantial proportion of Indigenous-specific funding is spent on housing services, which includes funding for social housing assistance and rental market assistance, homelessness services, and home ownership assistance. In 2012–13, these services cost \$180 million.⁶ Only 4 per cent of this total housing services budget was spent on home ownership assistance, as shown in Figure 4.4.⁷

Figure 4.3: Commonwealth and Queensland Indigenous-specific expenditure across sectors, 2012–13

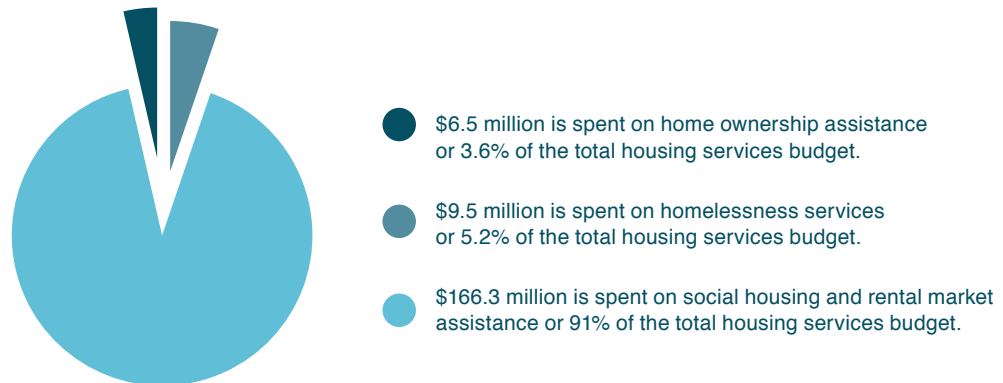


Source: Steering Committee for the Review of Government Service Provision (SCRGSP) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra.

6 SCRGSP 2014, op cit., detailed web tables.

7 Cape York Institute analysis of program delivery; and SCRGSP 2014, op cit., detailed web tables.

Figure 4.4: Commonwealth and Queensland Indigenous-specific expenditure on housing services, 2012–13



Source: Steering Committee for the Review of Government Service Provision (SCRGSP) 2014, *2014 Indigenous Expenditure Report*, Productivity Commission, Canberra.

21. While both the Australian and Queensland governments state that they support economic prosperity and home ownership outcomes for Indigenous people, there is no indication that substantial funding is being used to enable opportunities for home ownership to be created or taken up.
22. The sunk costs involved in providing social housing as a permanent destination (indeed, it remains the only housing option in much of remote Australia) are not sustainable in a climate of increasing resourcing constraints, and rising construction and maintenance costs. Investment in this ‘social housing for life’ welfare model must increasingly shift to create pathways away from the welfare model and to achieve home ownership and independence outcomes that Indigenous people, like other Australians, aspire to.
23. As can also be seen in Figure 4.3, \$30 million was spent on Indigenous-specific preschool education and childcare services (early childhood development), showing it to be a relatively low-order priority. One can ask, has expenditure on high-quality early childhood programs been appropriately prioritised? It would appear not. This should be a priority area for expenditure, given the large positive impacts early childhood programs can have. These benefits are particularly relevant to the Indigenous population, given its youthful profile (children and youth represent 57 per cent of the total Indigenous population) and the developmental challenges faced by many Indigenous children (Indigenous children are more likely to start school with twice as many developmental challenges).⁸ However, early childhood is simply not accorded the same priority under a welfare-dominated model of funding allocation as it would be under a development approach. Under a development model rather than a welfare one, funding for capability building would be given high priority. High-quality early childhood programs can have large positive impacts for disadvantaged children across a range of outcomes later in life.

⁸ See also Forrest A 2014, *Forrest Review: Creating Parity*, Australian Government, Canberra, p. 20.

24. The connection between supply and demand must be strengthened, including reorienting funding flows to respond to Indigenous-led development priorities. Reforms on this front would be consistent with the Harper Review's draft recommendations on competition policy, which state that user choice should be at the heart of service delivery and that it must be recognised 'that consumers are best placed to make choices about the human services they need most and design service delivery, wherever possible, to be responsive to those choices.'⁹

The connection between supply and demand must be strengthened, including reorienting funding flows to respond to Indigenous-led development priorities.

Industries of dependence

25. There are whole industries and vested interests, involving big money, riding on the back of Indigenous disadvantage. Over recent decades, the role of Indigenous leaders and organisations has been progressively sidelined, while governments' and service providers' interests in the Indigenous industry have exponentially grown. Yet centralised bureaucracies with little or no understanding of Indigenous lives do not know what is required, and external providers also often lack the capacity necessary to create change. Most fundamentally, government and service providers simply cannot provide the Indigenous leadership that is required to drive change. While the provision of government services can be outsourced, leadership cannot.
26. The dramatic expansion of large external service providers, including for-profits and not-for-profits, has occurred as government has increasingly outsourced service delivery. Huge flows of government money, across Indigenous mainstream and Indigenous-specific expenditure, now flow to large external organisations, with little support for Indigenous organisations and leadership. This shift especially accelerated following the demise of the Aboriginal and Torres Strait Islander Commission (ATSIC) in 2004. The outcomes have not been good, neither for Indigenous people nor for Indigenous organisations. Even Peter Shergold, a senior Australian Government public servant directly involved in overseeing many of the outsourcing reforms that have brought us to this point, has acknowledged the fundamental problems that have been created and that must now be dealt with.¹⁰
27. The truth of Andrew Forrest's remarks about the existence of a 'cash barbecue' in employment services can be seen on a daily basis.¹¹ An army of providers make a profit or busy themselves in gainful employment, while Indigenous people sit passively by being 'serviced' while waiting for employment opportunities to arise and as outcomes continue to worsen.
28. Since the establishment of the Job Network in 1998 to enhance efficiency (now Job Services Australia), the Australian Government has contracted a network of organisations to deliver employment services to jobseekers receiving welfare payments. This change has seen the rise and rise of large external providers. Organisations such as Mission Australia and the Salvation Army have won very large contracts since the change.

Over recent decades, the role of Indigenous leaders and organisations has been progressively sidelined, while governments' and service providers' interests in the Indigenous industry have exponentially grown.

9 Australian Government Competition Review Panel 2014, *Competition Policy Review: Draft Report*, Australian Government, Canberra, p. 26. See also Philipatos, A 2014, *Withholding Dividends: better ways to make the public sector efficient*, The Centre for Independent Studies, Sydney.

10 Shergold, P 2012, 'Foreword' in R Craven, A Dillon, and N Parbury (eds), *In Black and White: Australians All at the Crossroads*, Connor Court, Sydney.

11 Forrest A 2014, *Forrest Review: Creating Parity*, Australian Government, Canberra, p. 139.

The scale and capacity of large external providers means that Indigenous-led local and regional organisations cannot compete to win large government tenders.

29. Despite the size of the industry and despite the fact that the employment services sector is producing notoriously poor outcomes for Indigenous people, there are very few Indigenous organisations involved in providing employment services. The scale and capacity of large external providers means that Indigenous-led local and regional organisations cannot compete to win large government tenders. The Forrest Review report notes:

Competitive tendering processes are likely to continue to deliver lowest common denominator outcomes for remote communities ... First Australian organisations that could rise to the challenge and perform well will continue to miss out. The standard and polish of their tender documentation will rarely be competitive with that of an experienced non-government organisation (NGO) with multiple business arms, and staff with a dedicated focus on winning government tenders.

While on paper the product may look good, in practice it frequently fails to connect with the real needs of local people. The essential mutual trust between a service provider and its clients is hard to achieve with a fly-in fly-out service or where a big NGO or private provider has no demonstrated relationship with the community. The disconnect leads to under-usage, poor service and fails to meet local needs.¹²

30. Often external providers have underdeveloped local networks, restrictions to delivering services through visiting community staff, limited opportunity to understand what other services are being delivered in the community, and are unable to develop close relationships with other providers.¹³
31. In an employment services industry that is dominated by large external service providers, Indigenous leaders and organisations struggle to make their voices heard to improve productivity. The large external organisations are also highly influential in terms of the formulation of government policies and public debate.¹⁴

While the people involved are likely to be well intentioned and genuinely committed to their work, they are working through a system that is dominated by social provisioning objectives that have undermined Indigenous responsibility and control.

32. In other areas too, vested interests have a very real impact. While the people involved are likely to be well intentioned and genuinely committed to their work, they are working through a system that is dominated by social provisioning objectives that have undermined Indigenous responsibility and control. How can the army of bureaucrats whose careers involve delivering social housing also lead a shift to creating more home ownership outcomes, including investing in land administration and local governance? The current abysmal results in this area are entirely predictable.
33. The demise of ATSIC could have provided opportunities to better support Indigenous reform leadership and Indigenous organisations. Instead, the focus landed on establishing new bureaucratic structures and transferring the relatively smaller amount of Indigenous-specific funding, along with functions that had been ATSIC's responsibility, to government departments to manage. There were only limited attempts to effectively merge Indigenous-specific with larger non-Indigenous-specific funding streams to achieve better outcomes. There was no attempt to devolve responsibility from government to Indigenous people themselves to ensure that Indigenous people had a say in the services to be delivered—the system of contracting out was undertaken by a distant and centralised bureaucracy. With few exceptions, little attention was given to enabling competent Indigenous organisations to compete on a more level playing

12 Forrest A 2014, *Forrest Review: Creating Parity*, Australian Government, Canberra, p. 201.

13 See also Australian Government 2014, *National Partnership Agreement on Remote Service Delivery Evaluation 2013*.

14 Tingle, L 2000, 'Church and State: making a job of it', *Sydney Morning Herald*, 5 February, p. 13.

field with the big NGOs in national competitive tendering processes as the transition from ATSIC occurred. Since the demise of ATSIC, many Indigenous organisations have been defunded and closed down. Remaining Indigenous organisations are forced to chase funding according to the priorities of the government of the day under short-term, uncertain and highly prescriptive funding arrangements, almost entirely from the limited Indigenous-specific funding streams.¹⁵

34. The importance of Indigenous leadership and organisations for achieving development outcomes must be recognised and appropriately supported via funding arrangements.

Red tape and a plethora of disconnected programs

35. Funding arrangements in Indigenous affairs mean that a great deal of public monies never ‘hit the ground’ to benefit Indigenous individuals and families. Vast swathes of funding are absorbed by the red tape of administration within the government bureaucracy, and on the ‘middlemen’ between government and Indigenous people.
36. Australian Government funding is frequently delivered through state and territory governments, and then to those who provide services to Indigenous individuals and families. As a funding distribution mechanism, such an arrangement is clearly inefficient. There are just too many steps in the chain where those in the middle ‘take their cut’ before funding hits the ground. There is significant overlap between the Commonwealth and the states and territories, and within each level of government across portfolios. This has led to the implementation of multiple programs across both levels of government and across portfolios, resulting in duplication, complexity, lack of coordination and a lack of direct accountability for failure to achieve results. The National Commission of Audit considered changes to address these inherent problems ‘vital’ to improve results.¹⁶
37. The bureaucratic maze of funding arrangements means that contract management and reporting obligations take up a great deal of time and energy of both the funders and the funded. For example, Roebourne in Western Australia has a population of 1,150 but is reported as having 67 local service providers and more than 400 programs funded by both the Commonwealth and the state.¹⁷ In another example, Ceduna in South Australia is reported to have as many as 95 programs focusing on youth problems alone.¹⁸
38. In 2013, the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women’s Council received total funding of approximately \$10 million. The Women’s Council was required to enter into 41 agreements with agencies of the Commonwealth and the governments of South Australia, Western Australia and the Northern Territory. These arrangements imposed a huge administrative burden on the Women’s Council, which in just one year was required to submit more than 120 financial reports and nearly 100 non-financial reports. In 2010, the Women’s Council estimated that it had spent 7,399 hours seeking funds, dealing with funding bodies and complying with reporting requirements, reviews and evaluations.

Vast swathes of funding are absorbed by the red tape of administration within the government bureaucracy, and on the ‘middlemen’ between government and Indigenous people.

15 See, for example, Australian Government 2014, *National Partnership Agreement on Remote Service Delivery Evaluation 2013*; Moran M, Porter D and Curth-Bibb J 2014, ‘Funding Indigenous organisations: improving governance performance through innovations in public finance management in remote Australia’, Issues paper no. 11, Closing the Gap Clearinghouse, Canberra.

16 National Commission of Audit 2014, *Towards Responsible Government*, Australian Government, Canberra, www.ncoa.gov.au/index.html.

17 Department of Finance and Deregulation 2010, *Strategic Review of Indigenous Expenditure*, Canberra; National Commission of Audit 2014, *Towards Responsible Government*, Australian Government, Canberra, www.ncoa.gov.au/index.html.

18 Tudge, A 2015, ‘Template for progress in indigenous communities’, *The Australian*, 7 February.

39. It is no surprise that there are some striking examples of inefficiency and the high cost of administration on the public record. For example:
- A report of the Office of the Northern Territory Coordinator-General for Remote Services in 2012 shows that of \$587.3 million of Commonwealth funds allocated to the Northern Territory Emergency Response in 2007–08, '[m]ore than half of the funding (\$320.8 million) was for departmental expenditure and capital expenses to meet the costs of increased personnel, staff accommodation, infrastructure upgrades and improving IT capacity across agencies.'¹⁹
 - An Australian National Audit Office report from 2010 showed that a program that provided subsidised home loans to Indigenous people through the Department of Families, Housing, Community Services and Indigenous Affairs and Indigenous Business Australia had achieved 15 loans with a total value of approximately \$2.7 million, but administration costs were approximately \$9.9 million. The average loan was approximately \$178,000 and administration costs averaged \$660,000 per loan.²⁰
40. Government machinery must more directly and efficiently migrate funds to make an impact in the lives of the Indigenous people for whom they are intended.

No transparency of funding flowing through government to Indigenous people

41. Despite the substantial levels of Indigenous-specific and mainstream expenditure, there is not the transparency needed about funding flows at a local or regional level.
42. Indigenous organisations benefit primarily from a relatively modest portion of the \$5.6 billion of Indigenous-specific funding. Currently, Indigenous organisations compete through competitive open tendering processes against large external providers to gain a share of these funds, such as under the Indigenous Advancement Strategy. The vast bulk of Indigenous expenditure is, however, the mainstream expenditure of \$24.7 billion, over which Indigenous people, leaders and organisations have even less chance of securing any control or accountability. While some of these funds are distributed via open tendering processes, or otherwise to Indigenous organisations, a great deal supports government departments, their programs and administration. The inefficiency and high administration costs associated with a number of particular programs has already been noted, but it has been suggested that government administration costs associated with Indigenous funding may be in the order of 70 per cent as a general rule. Despite this, there is no routine publication of information by departments to account for what is spent within departments, and it is not possible to tell how many public servants in Canberra, Melbourne and so on devote their time to providing services to address Indigenous disadvantage to little effect. Nor do departments regularly publish information about the flow of funds to service delivery organisations. In these conditions, the efficiency and effectiveness of the expenditure of very large quantities of funding that is notionally for the benefit of Indigenous people remains opaque.
43. In particular, there has been longstanding concern about the fairness of the Northern Territory Government receiving high funding appropriations from the Commonwealth allocated on the basis of Indigenous disadvantage, yet this funding is spent in a way that over-represents the interests of non-Indigenous people based in Darwin.²¹

Despite the substantial levels of Indigenous-specific and mainstream expenditure, there is not the transparency needed about funding flows at a local or regional level.

The efficiency and effectiveness of the expenditure of very large quantities of funding that is notionally for the benefit of Indigenous people remains opaque.

¹⁹ Havnen, O 2012, *Office of the Coordinator-General for Remote Services Report, June 2011 to August 2012*, Office of the Coordinator-General for Remote Services, Darwin.

²⁰ ANAO 2010, *Home Ownership on Indigenous Land Program*, Audit Report No.23, 2010–11, Canberra.

²¹ Havnen, O 2012, *Office of the Coordinator-General for Remote Services Report, June 2011 to August 2012*, Office of the Coordinator-General for Remote Services, Darwin.

44. Similar concerns may well apply to substantial proportions of the mainstream Indigenous funding expenditure. Indigenous reform leaders cannot access the information they need in order to advocate for changes to the way \$24.7 billion is spent for the benefit of Indigenous people in mainstream service delivery. There is no visibility except at the broadest levels of how the very substantial levels of mainstream investment across Australia in key areas such as health, education, housing and employment are being used to improve outcomes for Indigenous people.
45. The lack of transparency means it is not possible for Indigenous people to hold governments to account for the use of public money ostensibly spent to benefit Indigenous people.
46. The lack of information about program-level funding at the place-based level also means that it is not possible to make any comparison of the cost effectiveness of particular place-based initiatives, which is also information vital to learning the lessons of different efforts.
47. To inform decisions about the more effective investment of funds, we must have greater transparency about government administration costs, spending provided to organisations, and program-level funding at the local and regional levels. Indigenous people must be able to ensure that money intended for remote areas and to benefit Indigenous people is being used to benefit them.

The reforms needed

48. Investment must be directed through a coherent policy framework. Funding should support an Indigenous-led development approach to reverse the decades of top-down prescription and centralised funding of programs that has put bureaucratic imperatives above the needs of service users—that is, Indigenous people.
49. Rethinking how services are purchased, and increasing the direct accountability of providers to Indigenous people, will lead to improvements in efficiency and effectiveness. There is a need to migrate funds from the welfare/service delivery framework so that they can far more directly ‘hit the ground’ for the benefit of Indigenous individuals and families, including by using incentives wherever possible.

Addressing shortfalls in the Indigenous Advancement Strategy

50. The Australian Government’s Indigenous Advancement Strategy (IAS) has introduced funding reforms. It is seeking to shift toward a more outcomes-based funding regime, and to streamline contracting and reporting obligations in order to reduce red tape for a substantial portion (but not all) of Indigenous-specific Commonwealth expenditure.
51. For many organisations, the changes may be able to deliver longer-term, simpler funding and reporting arrangements. The IAS allows for projects to be funded for up to three years and, where possible, will establish a single funding agreement between the Department of the Prime Minister and Cabinet and each funded organisation. For example, as the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women’s Council has 23 Commonwealth funding agreements (11 with the Department of the Prime Minister and Cabinet and 12 with the Department of Social Services), it is expected that the IAS will allow these arrangements to be at least partially rationalised.

The IAS provides no guidance and rigour to ensure that investment is directed through a development framework.

52. Although there are likely to be some improvements, such as under the IAS, there are two major shortfalls in the approach.
53. First, there remains no robust strategy in place to direct *where and how* money should be spent. Under the IAS, organisations are asked to make a funding case based on need against the key policy objectives of ‘getting kids to school, adults to work and making communities safer’. But Indigenous need is almost endless, and can easily be fitted against these broad policy parameters. The IAS provides no guidance and rigour to ensure that investment is directed through a development framework. It is up to the bureaucracy to assess these funding proposals against the stipulated criteria. How can panels of bureaucrats know what is needed for development on the ground and how could they assess what is and what is not a worthwhile investment proposal? This aspect of the new IAS system does not answer the reform imperative and needs to evolve into a demand-driven system that uses the rubric of development agendas as the basis for assessing investment proposals.
54. Second, there is nothing under the IAS that purposefully supports and builds Indigenous reform leadership and Indigenous organisations. It is not clear how Indigenous organisations have fared in the first round of funding announced under IAS compared to larger NGOs and other organisations with more expertise in grant writing, but who cannot provide reform leadership.

Investing in Indigenous-led, place-based development agendas

The end point for these reforms must be that all spending affecting Indigenous people—approximately \$30 billion across the nation—is used to drive development.

55. Reform is necessary so that funding can be more productively funnelled towards driving development rather than promoting dependence. The end point for these reforms must be that all spending affecting Indigenous people—approximately \$30 billion across the nation—is used to drive development. This process must be staged so as not to create too much disruption on the ground, but it must be understood that disruption is a necessary consequence of funding reform. In Empowered Communities regions, all relevant funding agreements will progressively be designed to tilt multiyear funding towards organisations that are committed to the Indigenous Empowerment reform agenda.

Transparency over all regional and local spending

Transparency should cover all Commonwealth, state and territory expenditure relating to Indigenous Australians so that Indigenous people can understand the pool of Indigenous-specific and mainstream funding that flows to programs and services in their areas.

56. Establishing transparency over the flows of public finance spent on Indigenous Australians at a place-based level is a fundamental precursor for Indigenous parties to engage with government on a level playing field. Transparency should cover all Commonwealth, state and territory expenditure relating to Indigenous Australians so that Indigenous people can understand the pool of Indigenous-specific and mainstream funding that flows to programs and services in their areas.
57. This can assist to inform, for example, areas of Indigenous mainstream expenditure over which Indigenous people should have greater influence and control, or funding that should be allocated to the pool established to support development agendas.



Pooled funding to support place-based development agendas

58. A critical component of the Empowered Communities financial reforms is the establishment of pooled funding in each of the Empowered Communities regions. Pooled funding on a regional basis is necessary to break down the silos and structural rigidities caused by having funds tied to specific programs and agencies. Such reform would allow much greater flexibility in allocating funds towards the regions' development needs.²²
59. The pools should be established as government accounts into which funds for each region are transparently deposited, and from which funds are allocated. Consideration should be given to the idea of outsourcing the administration of these pooled account funds to an appropriate accounting services provider, with the aim of making the operation of these funds as efficient as possible. Governments would still have the necessary authorities over decisions about these pooled funds, but administrative functions could be outsourced.
60. The more funds are consolidated within the regional pools, the easier it will be for government and Indigenous people to work together to drive development. As a practical starting point, it may be most appropriate to simply consolidate all Department of the Prime Minister and Cabinet funding for each region, including all IAS funding, within regional pools. The Australian Government's recent IAS reforms provide a useful starting point for these efforts, as the streamlined IAS funding now only needs to be moved to the regional pools.
61. In the medium term, these funds should be augmented with the addition of funding from other Commonwealth agencies, such as the Department of Social Services, state government Indigenous-specific funds (such as the funds used as part of the NSW Local Decision Making model) and mainstream funding.
62. This process could be informed by a regional analysis to identify areas of mainstream Indigenous funding that can be migrated into the pool. For example, if under the development agenda it is identified that disengaged, at-risk or offending young people are to be a focus of a different approach, an allocation of money to the Empowered Communities pool could be made on the basis prorating a portion of the mainstream funding that supports juvenile community corrections orders, according to the administrative data showing the number of juveniles on community corrections orders in the region. On the other hand, it may be unlikely and unfeasible for an Empowered Communities region to have a prorated portion of the mainstream funding that goes to juvenile detention services.
63. Consideration should also be given to whether special purpose payments (SPPs) provide a mechanism for migrating funding into the pool. Consideration should also be given to whether Special Purpose Payments (SPPs) provide a mechanism for migrating funding into the pool. Over time, the Australian Government could consider transitioning a proportion of the huge quantity of 'to' and 'through' payments made to the states and territories, which in 2012–13 amounted to

²² Many reports have called for pooled funds accompanied by devolved decision-making. A list of these reports, compiled by Moran et al. (2014), includes: Coordinator General for Remote Indigenous Services six-monthly report, April 2013 to October 2013 (CGRIS 2013); the evaluations of the COAG trial sites (Morgan Disney et al. 2006); the Implementation Review of Shared Responsibility Agreements (Morgan Disney 2007); the Australian National Audit Office performance audit (ANAO 2007); *Beyond humbug* (Dillon & Westbury 2007); the Northern Territory Emergency Response Review (Yu et al. 2008); the Blueprint for Reform of Australian Government Administration (Commonwealth of Australia 2010); the Strategic Review of Indigenous Expenditure (DFD 2010); the Australian Council for International Development (ACFID 2011); the Evaluation of the Groote Eylandt and Bickerton Island Regional Partnership Agreement (Tempo Strategies 2012); and most recently, in the Commonwealth Financial Accountability Review (DFD 2012). Pooled funds have also increasingly been adopted in the international context. For example, in the United Kingdom, the Cameron Government's Open Public Service reforms have made use of 'Community Budgets' to 'pool funding at the local level in order to break open funding silos and give councils and their partners the freedom to redesign services and pool funding in order to tackle complex social problems'.

\$92 billion dollars, into the Empowered Communities pool. This would enable the Empowered Communities partners to use the funding more directly to support goals of the long term development agendas, and effectively reduce the amount of funding lost on ‘middle-man costs’ that occur currently under Commonwealth funding transfer arrangements to the states and territories.

64. In the long term, to enable direct appropriations, consideration could be given to whether Empowered Communities regions could become a party to the Commonwealth payments in the same way as the states and territories, which has been framed by the Intergovernmental Agreement on Federal Financial Relations since 1 January 2009.
65. The allocation of the pooled funds would be subject to negotiation between government and the Indigenous governance structure, formalised in the investment agreements. Over time, this process would allow for spending to increasingly be directed towards place-based development objectives. This transition must be staged, to take account of the long-term funding agreements already in place and the need to minimise disruptions on the ground.
66. Critical to the success of pooled funding arrangements is the establishment of associated streamlined government decision-making that allow governments to flexibly direct pooled funds towards agreed development priorities. Where pooled funds are entirely from the Commonwealth Government, a senior Commonwealth officer would have authority regarding the funds’ use and be responsible for ensuring that the spending was directed as agreed. Where state money is involved, a state counterpart would have similar authority.

The allocation of the pooled funds would be subject to negotiation between government and the Indigenous governance structure, formalised in the investment agreements.

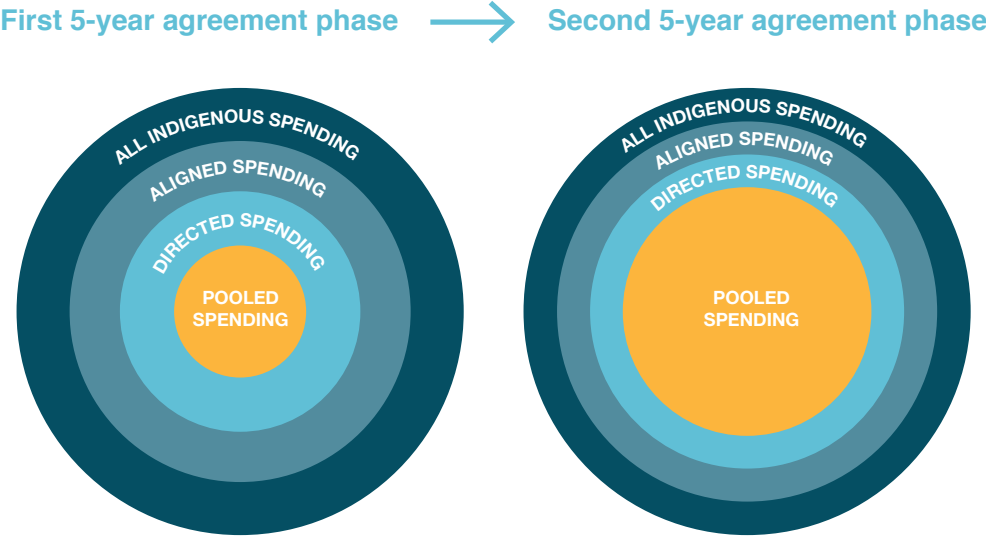
Directing funds outside the pool

67. While the aim will be to consolidate as much funding as possible within the regional pools, driving place-based development agendas will also require that Indigenous parties and government reach agreement on priorities relating to funds outside the regional pools. For example, it is unlikely that education and health spending will soon be consolidated within the regional pools, but both areas remain critical to achieving development.
68. To address this, the negotiated investment agreements will also have implications for funding outside the regionally pooled funds. This may include directing funds from various Commonwealth and state agencies to high-priority areas identified in the development agendas. Likewise, it must include scope for negotiating the policy details of how money is spent. For example, it may include redirecting additional funding towards school education and identification of specific policy priorities, such as the introduction of evidenced-based pedagogical approaches.

Alignment and collaboration

- 69. It will not be possible for the development agendas and investment agreements to cover all regional priorities and activities—these documents will not be exhaustive and much important work will occur outside their purview. However, there must be scope for promoting alignment and collaboration across all activities relevant to the challenge of development. Such alignment and collaboration can be promoted by governments, ensuring that all relevant publicly funded activities in the region:
 - incorporate the metrics and targets of the development agendas as part of their performance management framework and report progress to the Indigenous governance structure
 - provide plans and programs for review by the Indigenous governance structure.
- 70. These measures will provide incentives for all relevant organisations to play their part driving reform and help tilt all activities towards driving development.
- 71. Figure 4.5 summarises these proposed funding reforms and illustrates how they can be progressively expanded over time. This expansion must be based on success being achieved on the ground as the justification for greater effort by government to free up resources so that they can be directed squarely towards achieving development. Such an approach will incentivise all parties to work together to drive reform.

Figure 4.5: Reformed financial arrangements must occur over time



Note: 'All Indigenous spending' is defined as each region's share of all Indigenous-specific and mainstream spending, currently estimated at \$30 billion across the nation.

Indigenous people, leaders and organisations increasingly driving development

72. Under Empowered Communities, place-based development agendas are at the heart of funding decisions and are to be a key tool for Indigenous people, leaders and organisations to increasingly drive development.
73. To ensure Indigenous people can play an expanded role delivering under development agendas, the impact of the sheer size and scope of the external NGO sector in adding to the disempowerment of Indigenous people needs to be acknowledged by government and the sector itself. Quite unintentionally, large NGOs are a part of the welfare passivity problem that plagues Indigenous Australia. It is time for NGOs and Indigenous reform leaders to work together to address this situation and plan, as development agendas are prepared, for a transition away from service provision dominated by large NGOs in Empowered Communities regions to arrangements that allow Indigenous responsibility and leadership to grow.
74. In such a transition, NGOs would continue to have important but different roles to play. There would be some continuing service delivery functions for NGOs where those organisations are unequivocally the best equipped in terms of expertise or overall capacity to deliver a service or program. This report proposes that as development agendas and investment agreements with governments are settled, the Indigenous reform partners would have a shared role with governments in the decision-making process for service delivery within their regions. Many NGOs would be well placed to play a valuable support role to Indigenous organisations wanting assistance to strengthen capabilities as they take on different roles. There is much to be learned from NGOs that have operated successfully, and engaging NGOs in this type of role would start to shift their involvement in Empowered Communities regions from one that exacerbates Indigenous disempowerment to one that helps build empowerment.
75. Strong Indigenous-led organisations are necessary for driving reform. Indeed, the Empowered Communities agenda has been led by a group of eight Indigenous organisations with a track record of success, and the value of strong Indigenous organisations is increasingly recognised.²³ Reforms are required to ensure that strong Indigenous organisations play a leading role driving change under the development agendas. In addition to the transition away from large external NGOs, and potential capability transfer during this phase, further reforms are needed to position strong Indigenous organisations, without departing from the merit principle, in terms of (1) changes to the way service delivery organisations are selected, and (2) how funding contracts are developed with funded organisations.
76. First, in terms of selecting organisations as service providers, reform is needed to appropriately recognise the strengths of local Indigenous-led organisations driving development. In particular, the allocation criteria of all relevant grants and procurement requires change to clearly and transparently recognise the strengths of local Indigenous-led organisations (such as those in Table 4.1), and a track record of success and commitment to driving development. These criteria should be used when making funding allocations, deciding on contract duration the level of devolved authority to the organisation, and rewarding performance.

It is time for NGOs and Indigenous reform leaders to work together to transition away from service provision dominated by large NGOs in Empowered Communities regions to arrangements that allow Indigenous responsibility and leadership to grow.

There is much to be learned from NGOs that have operated successfully, and engaging NGOs in this type of role would start to shift their involvement in Empowered Communities regions from one that exacerbates Indigenous disempowerment to one that helps build empowerment.

The allocation criteria of all relevant grants and procurement requires change to clearly and transparently recognise the strengths of local Indigenous-led organisations.

²³ See for example, Moran M, Porter D and Curth-Bibb J 2014, 'Funding Indigenous organisations: improving governance performance through innovations in public finance management in remote Australia', Issues paper no. 11, Closing the Gap Clearinghouse, Canberra.

Table 4.1: Characteristics of service delivery organisations—external providers and Indigenous organisations

Criteria	External providers	Strong Indigenous organisations
Capacity building	Limited support for local capacity	Necessarily involve direct investment in building local capacity of staff and leadership
Leadership	Relies on external, normally short-term, non-Indigenous leadership	Creates a space for local leadership to drive change in their communities
Accountability	Exclusively focused on 'upward accountability'	Have downward accountability mechanisms including membership, elected boards, support from representative organisations, personal relationships of staff
Local solutions	Varied capacity to respond to local issues	Focused on innovating to respond to local circumstances
Knowledge and expertise	Limited local knowledge	Deep local knowledge based depth of lived experience and lifetime of commitment from staff and leaders
Accessibility	Deploy mixed methods for local engagement	More likely to be accessed by Indigenous people

77. Second, it is necessary to reform how Indigenous organisations are funded to deliver on their responsibilities. Based on lessons from the Australian and international experience, it is possible to identify a set of characteristics common to funding models that have supported organisations to achieve development outcomes.²⁴ Funding agreements made with Indigenous organisations funded as part of Empowered Communities should:
- include an agreed performance management framework that provides incentives for organisational effectiveness in delivering on development agendas
 - explicitly cover core governance functions, operational overheads and defined areas of activity
 - provide certainty through secure funding for the medium term (three to five years)
 - be accessible based on minimum requirements/standards, which include the regionally developed opt-in criteria
 - require downward accountability mechanisms undertaken by the funded organisation.
78. Funding agreements of this nature would support local innovation and decision-making, strengthening the role of high-performing Indigenous organisations and their leaders as the catalysts for development.

Funder, purchaser, provider

79. Reformed purchasing arrangements should be implemented to ensure that Indigenous people are able to play a stronger role in leading development in their regions. Such reform would reposition Indigenous people so they are no longer merely passive recipients of government-funded services. These changes can provide Indigenous people with more control over areas of both mainstream and Indigenous-specific funding, and provide a mechanism to ensure that government

²⁴ Moran M, Porter D and Curth-Bibb J 2014, 'Funding Indigenous organisations: improving governance performance through innovations in public finance management in remote Australia', Issues paper no. 11, Closing the Gap Clearinghouse, Canberra.

and large external providers are not dominating in areas that rightly require Indigenous leadership and responsibility.

In order to create demand-driven markets, avenues are needed for services to be 'bought' by Indigenous people instead of 'provided'. Indigenous people need to be in the funding food chain as the purchaser or co-purchaser.

80. In order to create demand-driven markets, avenues are needed for services to be 'bought' by Indigenous people instead of 'provided'. Indigenous people need to be in the funding food chain as the purchaser or co-purchaser. It is the person who holds the purse strings or the contract who also holds the power over the provider. And while government has introduced the notion of 'contestability' with a great deal of enthusiasm in Indigenous affairs, the notion of the funder, purchaser provider split and of Indigenous people holding any purchasing and consumer power is notably absent. Contestability has not delivered better outcomes from the Indigenous budgetary outlay—this much, at least, is clear today.

Vouchers

81. In the ideal case, the purchaser should be the consumer in order to lead to more rational decision-making and use of funds. If, for example, this were the case in relation to the construction of new housing in remote areas, this would lead to more rational decisions being made about delivery. No one would want to pay \$500,000 or more for the cost of the houses in these locations, yet this is the vicinity of the cost to government and the taxpayer of housing being built under the \$5.5 billion investment into remote Indigenous social housing introduced by the Rudd government in 2008 under the National Partnership Agreement for Remote Indigenous Housing.
82. In order that the purchaser of services should be the Indigenous consumer more often, the use of a voucher system should be considered wherever possible. These vouchers could be for individuals or households—for example, to replace existing Indigenous Business Australia home loan subsidies. In this way, rather than having to rely on a monopoly government lender to access a subsidised home loan service, Indigenous people could access their home loan subsidy as a voucher so that it is portable and can be used to help them access finance through mainstream banks (in the same way that the first home owner grant was portable, for example). This would increase the purchasing power of the Indigenous consumer and remove the monopoly of government as both purchaser and provider of the Indigenous home loan subsidy. It also establishes mainstream banks in the position of lender, and they will provide a reality check about the scope for private sector lending on leases on Aboriginal land and what new or additional policy responses may be needed to ensure that titles are fungible.

The use of a prime contractor model can assist to create demand-driven markets. The prime contractor model entails devolving authority for purchasing certain services from government to selected prime contractors.

Purchasing and co-purchasing

83. In addition to ensuring that the purchaser of services is more often the Indigenous consumer of those services, allowing for purchasing decisions to happen closer to the ground (for example, through a decision-making board), creating greater opportunity to draw on local knowledge to efficiently target available resources at place-based priorities. Where services are purchased under the prime contractor model, a single NGO then manages the funding and contract for the service delivery, reporting back to the decision-making board as required.
84. The prime contractor model has emerged in the context of fiscal austerity and the search for greater efficiency.²⁵ The model introduces greater flexibility and reduced

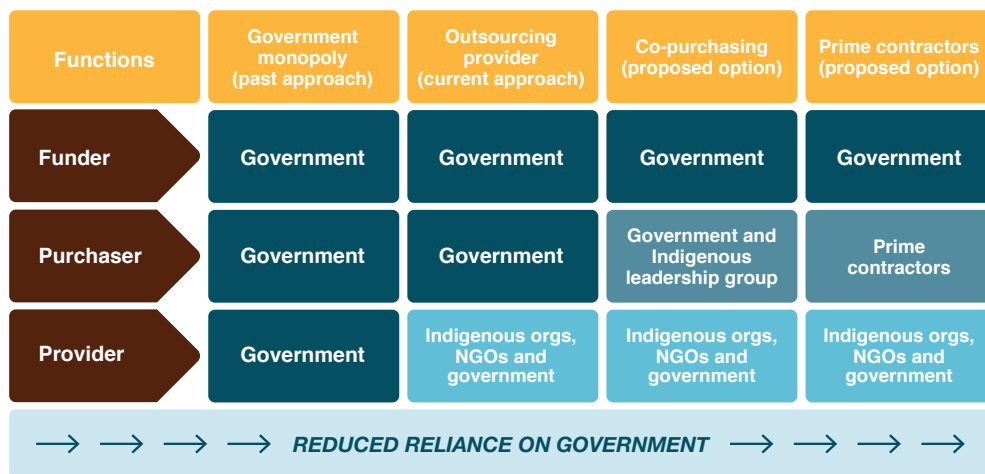
²⁵ O'Flynn J et al. 2014, *The prime provider model: An opportunity for better public service delivery?*, University of Melbourne.

administrative burden, as contracts between the prime contractor and providers are not subject to the same tendering rules that apply in the public sector.²⁶

85. The prime contractor model is already in use in Australia, although it has not been used with the aim of enabling Indigenous purchasing power per se. It is used in the Commonwealth's Communities for Children initiative to provide locally tailored solutions to improve child wellbeing and development. The use of the prime contractor model in Australia tends to focus on partnership-type or consortium approaches to deliver services to a specific area and/or to a specific client group, and can result in innovative trials driven by community or not-for-profit organisations.²⁷
86. In areas where direct purchasing is not feasible, co-purchasing arrangements should be considered. In contrast to the prime contractor model, co-purchasing would require joint agreement through the Indigenous regional governance mechanism and government. Government would continue to have responsibility for performance management and tender administration, managing contracts and funds.
87. The regional governance mechanisms proposed under Empowered Communities can be enabled to make purchasing or co-purchasing decisions for designated categories of service delivery under the prime contractor model. These may include areas of employment, housing, health and education services, for example.
88. There is potential under this model for Commonwealth funding to bypass the states and be provided directly to the regions. To incentivise success, use of the prime contractor model should be expanded and more autonomy provided to the prime contractor on the basis of performance.
89. Shifting purchasing or co-purchasing responsibility could also be used to increase Indigenous decision-making power under the IAS and place more responsibility with Indigenous people with intimate knowledge of their regions. Figure 4.6 shows how purchasing and co-purchasing arrangements can increasingly be used to bring about a split in the funder, purchaser and provider roles and reduce Indigenous reliance on government.

The aim of co-purchasing would be to drive synergies, coordination and alignment through co-obligation of the provider to the funder and the Indigenous co-purchaser.

Figure 4.6: Reformed financial arrangements can be staged over time



26 Finn D 2011, *Sub-Contracting in Public Employment Services: Review of research findings and literature on recent trends and business models*, European Commission.

27 O'Flynn J et al. 2014, op. cit.

Linking incentives to results for Indigenous people—the ‘race to the top’

90. In the international aid arena, tight budgets and the failure of traditional funding arrangements have increasingly led to performance-based provision of aid to incentivise reform and create a ‘race to the top’.
91. For example, ex post rewards, such as those established through the Millennium Challenge Corporation (MCC) since 2004 under President George W. Bush, have been effectively used to strengthen the reform-mindedness of possible recipient countries, and to ensure that development assistance is directed to those who will use it more effectively. The MCC introduced an experimental new approach of applying positive conditionality to aid to incentivise a reform agenda focused on three core elements: ruling justly, investing in people and fostering economic reform. A highly competitive selection process sees potential partner countries evaluated on the basis of third-party data against a ‘scorecard’ indicating their commitment to the reform platform. By being selective, MCC has created a race to the top, with countries competing to perform best on the public scorecards, which have been independently assessed to be one of the most influential tools to incentivise reform.²⁸
92. While the anticipation impact of the MCC’s competitive selection process has been found to be strong, the MCC effect continues after selection for investment. Once declared as eligible for investment, countries prepare and negotiate compact proposals that will reduce poverty and promote economic growth, and this stage is also competitive. The partner country is expected to take ownership of the investment and to ensure that it is not wasted or diverted. Once a pledge and a promise are made under the compact, strict accountability applies over the life of the investment to deter backsliding and reform reversals. Compacts are suspended or terminated if there is a pattern of action inconsistent with the reform program.
93. Indigenous affairs must do a great deal more in order to harness the strength and scope of the incentive effect.
94. The fact that Indigenous people must play a leading role in bringing about change to overcome disadvantage is a truism, yet it is far from a reality. Rather than continue to chase dysfunction and endless need in Indigenous affairs, some funding should be put to work to create a ‘race to the top’ and to incentivise the adoption and maintenance of the Indigenous empowerment reform agenda. A system of incentives should be agreed so that Indigenous people, leadership and organisations have ‘skin in the game’ and so that people are galvanised to work together to achieve positive change.
95. There are many examples across Indigenous affairs where incentivising reform leadership could substantially improve outcomes. For example, we outlined in Chapter 3 the need for ‘inside-out’ partnerships, rather than simplistic ‘top-down’ or ‘bottom-up’ approaches. Alcohol restrictions in Queensland’s Indigenous communities and in Fitzroy Crossing (Western Australia), the Groote Eylandt Liquor Management System (Northern Territory) and the Tennant Creek Alcohol Management Plan (Northern Territory) were described as having emanated, originally at least, from such an ‘inside-out’ partnership. The lack of clear transition goals and incentives linked to the normalisation of alcohol-related harm levels

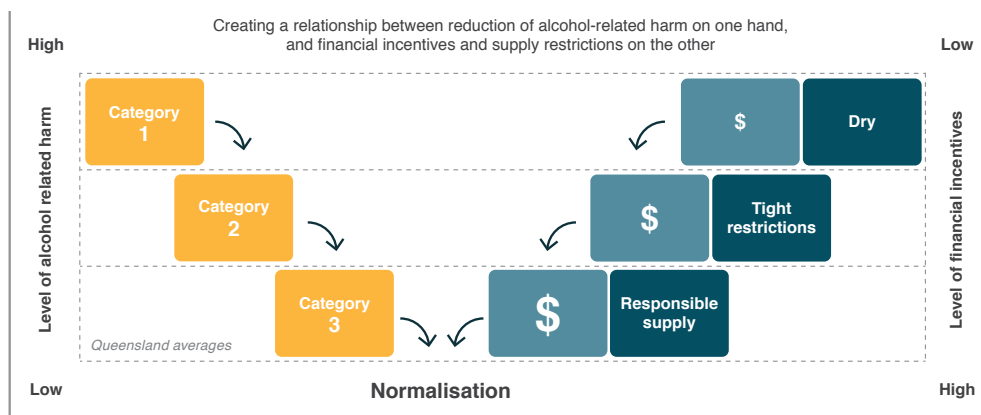
Rather than continue to chase dysfunction and endless need in Indigenous affairs, some funding should be put to work to create a ‘race to the top’ and to incentivise the adoption and maintenance of the Indigenous empowerment reform agenda.

²⁸ Herrling, S 2014, Testimony of Sheila Herrling, Acting CEO, Millennium Challenge Corporation, Before the House Appropriations Subcommittee on State and Foreign Operations, 29 April. Available at <https://www.mcc.gov/pages/press/speech/speech-testimony-of-sheila-herrling-acting-chief-executive-officer-millenni>.

(for example, alcohol-related crime and hospital admissions) meant that these original coalitions of Indigenous reform leaders, including many senior women, have not been well supported or their efforts built upon.

96. In Queensland, for example, others (often Indigenous leaders on local councils) were not motivated to help drive positive changes, but rather have been able to play an easy game of ‘wedge politics’—for example, by suggesting the policy was based on discrimination, rather than being a necessary response that could be adjusted once harm levels were normalised. An incentives framework linked to reducing levels of alcohol-related harm could have strengthened Indigenous reform leadership to drive positive change (see Figure 4.7).

Figure 4.7: Incentives framework for alcohol-related harm proposed by the Cape York Institute but not adopted by governments



Incentivising individuals and families through direct opportunity investments

97. Aligning incentives for individuals and families in this way requires welfare reform. Australia’s welfare system creates disincentives for some people to work.²⁹ The incentives must be changed to tackle long-term passive welfare dependence and the associated dysfunction with greater success.
98. Before describing how incentives can be transformed through direct investment in individual and family opportunities, it is instructive to consider briefly some of the lessons learned from welfare reform efforts to date, particularly the Cape York Welfare Reform model that has been more nuanced and tailored for rebuilding Indigenous society than other models.

²⁹ Department of Social Services 2015, *A new system for better employment and social outcomes: report of the reference group on welfare reform to the Minister for Social Services*, Australian Government, Canberra.

Lessons from welfare reform

99. There are five key lessons that should be taken into account from welfare reform efforts, particularly on Cape York, to date.
100. First, income management has proven to be highly effective in achieving its key aims. It assists people to ensure their basic responsibilities are met and builds basic capability in terms of understanding one's primary obligations.
101. Income management has been the key welfare reform measure introduced under different models in various places across the country, including under Cape York Welfare Reform. Under the Cape York model, conditional income management orders are applied only where someone has failed to meet their basic obligations to get their children off to school, keep their children safe, abide by the law, or meet their housing tenancy obligations. Even then, conditional income management orders are only applied after conferencing by local commissioners through the Family Responsibilities Commission.
102. Income management has assisted those in Cape York who need help the most to ensure that the household rent and electricity bills are paid, and that money is available for children's clothing and food for the family. The evaluation of income management in the Northern Territory also shows that the mechanism of income management is highly effective at achieving its aims. Nearly all (99.8 per cent) of the income-managed portion of welfare payments was spent on the basic necessities and was protected from being spent on prohibited items.³⁰
103. Income management helps people to build capability in terms of their understanding of the primary obligation to use welfare payments to pay the rent and electricity, and to provide food and clothing for the household. In Cape York, people on income management orders are highly adept, for example, at using iBank facilities to track the allocation of Centrelink payments to pay for utilities and onto the BasicsCard.
104. Second, income management is *not* a tool to reduce welfare dependency; it is a tool to ensure that welfare-dependent people and their children get their *basic needs* met from the welfare they receive. It was never intended to be the means through which people would move from welfare to work, and it was not intended to be relied on to solve all the problems such as school attendance, alcohol consumption and gambling, and child protection. Public debate on the success of income management has obscured these facts. The plain truth is that income management was all about helping individuals and families in relation to their basic needs. And as far as that proportion of funds that has been managed is concerned, the money has indeed been used to address these basic needs. This is why the relevant facility is called a BasicsCard. It is highly misleading to say that income management has failed because it has not resulted in welfare-dependent people moving off welfare and into work.

Income management has proven to be highly effective in achieving its key aims. It assists people to ensure their basic responsibilities are met and builds basic capability in terms of understanding one's primary obligations.

It is highly misleading to say that income management has failed because it has not resulted in welfare-dependent people moving off welfare and into work.

³⁰ Bray JR, Gray M, Hand K and Katz I 2014, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report* (SPRC Report 25/2014), Sydney: Social Policy Research Centre, University of New South Wales, p. 139.

105. Third, income management is a useful tool but must be buttressed with other efforts to (1) restore social responsibility, and (2) transition people from welfare to work. This was understood from the outset in Cape York. While there has always been a social responsibility dimension to the Cape York Welfare Reform model, including measures that buttress income management, there has not been a welfare-to-work element and this is a fundamental flaw that must be addressed in future reforms.
106. In terms of the social responsibilities agenda, under the Cape York Welfare Reform model, an income management order may be put in place where basic social responsibilities have not been met, and to stabilise the household situation for those who need it the most. But rebuilding social responsibility has been tackled by more than income management orders alone. For example, in terms of school attendance, Family Responsibilities Commission conferencing led by local commissioners, rather than the application of income management orders per se, has demonstrated a link to improved school attendance.³¹ In addition, effort has gone into transforming the schools themselves in order to lift educational attendance and performance. The benefit of these root-and-branch reforms undertaken over a number of years are now taking a firm foothold. Hope Vale is now consistently performing very strongly, and Coen is on track to have among the best attendance of any school in the state. School attendance in Aurukun has maintained a significant improvement since before the introduction of the Cape York Welfare Reform trial, but lifting it to a high level remains a challenge. There is ongoing frustration that other measures that could be used to help buttress school attendance, such as the prosecution of parents of chronic non-attenders, have not also been brought to bear to encourage the change sought.
107. By way of further example, in Cape York, there does not appear to have been any diminution in gambling and substance abuse as a result of income management imposed at the level of 60 per cent or 75 per cent of a person's eligible welfare payments. There had not been the ability to increase the proportion of a person's welfare payments subject to income management where drinking and gambling are impacting on a person's or family's ability to meet basic responsibilities to a high level until the introduction of a 90 per cent income management order in 2014. Within families, humbuggers continue to be able to demand cash to support their grog and gambling habits. And while the system could be improved, Cape York leaders have always maintained that income management alone cannot address alcohol and gambling but can provide one important element of more comprehensive efforts to restore social responsibility, also including:
- rebuilding social, cultural and spiritual intolerance of abuse, including through harnessing and building Indigenous reform leadership
 - managing supply (including the suppliers of alcohol)
 - managing money
 - managing time
 - fixing up home and community environments
 - treatment and rehabilitation.

31 Limerick, M 2013, 'Evaluation Overview' in *Cape York Welfare Reform Evaluation 2012*, Australian Government, p. 10; Social Policy Research Centre 2013, 'Outcomes' in *Cape York Welfare Reform Evaluation 2012*, Australian Government, pp. 223–238.

Tackling passive welfare means the incentives need to change and there must be a serious welfare-to-work solution put on the table.

The Racial Discrimination Act 1975 (Cth) should always apply. It is important that people see the system applies fairly to all those on welfare.

Incentives must be changed so that people can see a clear fork in the road and be provided with a real choice—a pathway out of welfare.

An Opportunity Support System would change the flow of funds so they are used to support a far greater direct investment in opportunities for individuals and families.

108. There remain large gaps across these areas under Cape York Welfare Reform, including, for example, in terms of the ongoing police action needed to enforce alcohol restrictions.
109. While it could be improved, efforts have been made to buttress the social responsibility agenda under Cape York Welfare Reform. In contrast, there has not been a welfare-to-work dimension and this has limited the overall effectiveness of the reforms. In the Cape York Welfare Reform model, there were no mechanisms to change the underlying incentives. There is still a rational price calculation involved that incentivises people to remain on welfare and this is the biggest impediment to bringing about greater self-reliance of many Indigenous people currently dependent on welfare. Tackling passive welfare means the incentives need to change and there must be a serious welfare-to-work solution put on the table.
110. Fourth, welfare reform measures should, as far as possible, apply universally. While a place-based Cape York Welfare Reform trial was the only possibility for pursuing a reform agenda, it is clear that people look to the universal rules and ask why this obligation applies to them and not to their neighbours. The *Racial Discrimination Act 1975 (Cth)* should always apply. It is important that people see the system applies fairly to all those on welfare. The Cape York Welfare Reform measures were consistent with the special measures provisions of the Racial Discrimination Act, not the least because the four communities involved had participated in a two-year planning and consultation process that enabled them to opt in to the trial. However, the suspension of the Racial Discrimination Act with the Northern Territory Intervention—and the fact that unlike Cape York, income management applied to everyone rather than those who were assessed by local elders to have breached their obligations—gave rise to a legitimate objection to discrimination.
111. Fifth, incentives must be changed so that people can see a clear fork in the road and be provided with a real choice—a pathway out of welfare. Those who put up their hands to take up the path of incentives and opportunities should be given the choice to assume obligations in return for opportunities.
112. Individuals should be able to voluntarily opt in, but communities too should be incentivised to encourage individuals to take opportunities. For example, targets could be set based on the proportion of individuals on welfare who opt in, and this could be the basis on which a place can fund economic development projects—for example, to develop local industries. In this way, incentives can ensure that even for long-term welfare-dependent families, the cycle of dependency can be broken for their children.

Providing an alternative to welfare—an Opportunity Support System

113. The recent McClure Review of Australia's welfare system confirms that a social support system must recognise the importance of personal responsibility on the path to self-reliance, and argues that a new social support system should be underpinned by mutual obligations that ensure the provision of support is matched by individual responsibility to develop personal capability and engage in training and employment. Creating an Opportunity Support System can achieve this goal.
114. An Opportunity Support System would change the flow of funds so they are used to support a far greater *direct investment* in opportunities for individuals and families, and could provide both efficiency and effectiveness gains.



115. First, in terms of efficiency, directly investing in opportunities means the same amount of funding could be used to benefit individuals and families but bypass the convoluted intergovernmental funding arrangements, middlemen and red tape involved in the usual provision of services and programs.
116. Second, in terms of effectiveness, such an approach can provide powerful encouragement for change. Funds can be used to incentivise individuals and families to ‘step up’ in terms of their aspirations so they can build their capabilities (such as through incentivising education opportunities) and their assets (such as incentivising home ownership).
117. Providing funding more directly to individuals and families by ensuring that they can increasingly access and take up opportunities, rather than services or programs, must require a quid pro quo element so that individuals and families have ‘skin in the game’. This is essential, and helps to ensure that these opportunities do not fall into the ‘money for nothing’ trap that is the norm under the welfare paradigm. In Cape York, this has been done on a small scale in four communities through the establishment of ‘opportunity products’ such as the Student Education Trust, which allows family members and carers to set aside money in a trust account for a child’s education expenses, thereby achieving real buy-in in terms of engaging and investing in the child’s education.
118. Opportunities must be well designed and should form part of a system or cohesive pathway. Stepping onto this pathway will involve mutual rights and responsibilities. When a disadvantaged Australian raises his or her hand to say, ‘I want to opt out of passive welfare and I want to take up the opportunity to receive training, to take a job offer, to accumulate a savings fund, and to have access to a home loan for my family’, then we need a system in which he or she can contract with government to step onto a pathway outside of welfare and take up the obligations that attach to opportunities, in return for government being obliged to deliver these opportunities.
119. There are small-scale examples of such opportunity programs that are highly effective, and provide a model for an expansion of such programs as opposed to welfare service delivery approaches. For example, the Indigenous Youth Mobility Program has operated since 2006 to provide assistance such as access to safe and supported accommodation and case management to assist young 16- to 24-year-olds from regional and remote areas so that they can orbit to tertiary or vocational education and training. Such opportunity products need to be carefully designed and easily accessible by individuals. They should be available as of right, provided the individual steps up to their obligations.
120. The current piecemeal approach requires Indigenous people to navigate through a maze of the bureaucracy to identify where disconnected programs can assist them to access partial opportunities. The reality is that take-up is often underwhelming, or in other instances, the program cannot cater adequately to demand.
121. It would be far better if the opportunities were all part of a coherent pathway or Opportunity Support System. Under such a system, the guarantees provided by the government must be binding—and must be delivered as of right when the contracting individual or family has committed to the obligations associated with opting in to the opportunity pathway.

Opportunities must be well designed and should form part of a system or cohesive pathway. Stepping onto this pathway will involve mutual rights and responsibilities.

The Opportunity Support System envisaged here is akin to the system established in the United States by the Servicemen's Readjustment Act (the 'GI Bill') of 1944.

122. The Opportunity Support System envisaged here is akin to the system established in the United States by the Servicemen's Readjustment Act (the 'GI Bill') of 1944. This legislation gave World War Two veterans immediate financial support in the form of unemployment insurance (specifically, an unemployment payment of US\$20 per week for 52 weeks—referred to as the '52-20 club') and extensive educational support and generous access to home and business loans. The GI Bill was a great success, and indeed a GI Bill continues to provide education and training opportunities to US service members and veterans. The original bill helped to build the American middle class, and made a major contribution to the country's stock of human capital that sped up long-term economic growth.
123. Consider US President Barack Obama's testimony, as a junior senator from Illinois in his keynote speech at the Democratic National Conference in 2004, on the role of the GI Bill in the story of his family:

While studying here my father met my mother. She was born in a town on the other side of the world, in Kansas.

Her father worked on oil rigs and farms through most of the Depression. The day after Pearl Harbor, my grandfather signed up for duty, joined Patton's army, marched across Europe. Back home my grandmother raised a baby and went to work on a bomber assembly line. *After the war, they studied on the GI Bill, bought a house through FHA and later moved west, all the way to Hawaii, in search of opportunity.* (emphasis added)

An Opportunity Bill could help lift Indigenous Australians onto a path that leads to education, employment and long-term wealth creation.

124. An Opportunity Bill could similarly help lift Indigenous Australians onto a path that leads to education, employment and long-term wealth creation.

The right to development

125. The 'right to development' is more often associated with the world's poorest countries, not Indigenous Australians. But to address development traps that have left Indigenous people in Australia 'stuck' and without benefiting as one should expect from decades of unprecedented national economic growth, there must be an elevation of Indigenous people's right to development. Article 1.1 of the Declaration on the Right to Development, adopted at the UN General Assembly in 1986, states:

The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized.

The right to development entitles Indigenous people to embrace and drive Indigenous development.

126. The right to development entitles Indigenous people to embrace and drive Indigenous development. That is, it entitles them to be the key actors in their own development story, including in terms of economic development.
127. Yet there has been little progress to date in closing the gap on Indigenous employment and the activation of Indigenous economic development opportunities remains far too infrequent. Currently, entrepreneurship is stifled by a complex regulatory environment and Indigenous landholders are frequently the last parties to be engaged in the development process. Despite the size of Indigenous

landholdings and some of the largest mineral deposits worldwide, Indigenous people struggle to achieve development outcomes according to their own goals and aspirations. This is due in part to how Indigenous people are linked to the development process—passively and as opponents to the development, rather than as active partners and proponents.

128. The ability to activate economic opportunities can provide a big incentive for Indigenous people and communities. A ‘tribal wealth’ agenda is needed, so that Indigenous people are positioned to proactively drive development outcomes as the key actors in their own development and create jobs and income streams to sustain themselves.
129. As part of a tribal wealth agenda, there are two mechanisms put forward in this report to give effect to the Indigenous right to development. At least one of these mechanisms should be adopted in each jurisdiction.
130. The first is that states and territories should establish a process by which projects of Indigenous development significance can be designated, so that these projects are treated in an analogous way to projects that are currently categorised as having state significance. This means relevant governments commit, as a priority, to facilitating projects of Indigenous development significance through the assessment and regulatory approval processes.
131. The second mechanism is the establishment of an Indigenous development ombudsman position to ensure that Indigenous people’s right to development is upheld. Too often in recent years, as legal title and recognition of Indigenous rights in land have been granted on the one hand, land use and development rights have been ‘locked up’ by governments on the other.
132. In order to ensure that Indigenous people have the same ‘fair go’ that has been available to other Australians to use their lands for wealth creation and to activate development opportunities, a development ombudsman is needed.

A ‘tribal wealth’ agenda is needed, so that Indigenous people are positioned to proactively drive development outcomes as the key actors in their own development and create jobs and income streams to sustain themselves.

Investing in innovation

133. Finally, mechanisms that support innovation and adaptation to a far greater degree are needed. It is only through allowing greater flexibility and innovation to drive more effective approaches that money will stop flowing to programs that are not working, and that the continuous and pointless adding of further programs and more players to fix the problems will cease.
134. Within Empowered Communities regions, funds will be needed to seed local and regional innovations to take action on the first priorities described in Chapter 2, as these are a precondition for other development outcomes, to support capability building and creation of opportunities, and to assist in undertaking the context-specific adaptation required to spread (franchise) existing successful approaches across Empowered Communities sites.
135. Randomised control trials could be used to better test innovative programs and initiatives, including, for example, individual and family incentive schemes in order to establish whether they are effective at motivating behavioural change.

136. Governments should also consider what other mechanisms are available to encourage greater innovation in Indigenous affairs, such as social benefit bonds (also known as social impact bonds or pay-for-success bonds). Social benefit bonds are a financial instrument that pays a return based on the achievement of agreed social outcomes. The government issues a bond for a specific amount of cash to be invested in achieving a preset social outcome. If the outcome is achieved, the bondholder will be repaid, and will receive a financial reward dependent on the outcomes. This is the basis on which investment capital to finance the bond can be raised.

Incentives for governments

What is offered under these reforms is a commitment that expenditure will be stabilised within participating regions, and productivity for the funds expended will increase.

137. At the very least, what is offered under these reforms is a commitment that expenditure will be stabilised within participating regions, and productivity for the funds expended will increase. In the current fiscal climate, and amid the never-ending calls for more funding support for programs that can close the gap, this alone should provide a powerful incentive for governments.
138. Ideally, under Empowered Communities, the Indigenous partners would be in the position to offer an efficiency dividend in order to incentivise government to participate in these reforms. However, it is not possible at this point to promise that savings could be returned to governments for a number of reasons.
139. While Indigenous expenditure is greater per person than non-Indigenous expenditure, and it is clearly evident that a great deal of Indigenous expenditure could be used more productively, it is simply not known if these funding levels are sufficient to the task or not.
140. Because it is essential that a productivity agenda is pursued in Indigenous affairs, it is recommended that the Australian Government ask the Productivity Commission to assess the sufficiency of funding levels, and from this basis it will be possible to establish whether, and at what level, an efficiency dividend could be provided in each of the regions. Any such efficiency dividend must ensure that it addresses the shortcomings of the existing efficiency dividend that applies across the public service.³²
141. The Productivity Commission review should consider how allocations from the Commonwealth Grants Commission for Indigenous Australians can be made transparent and be directed in ways that are consistent with the Indigenous Empowerment policy.

³² Philipatos, A 2014, *Withholding Dividends: better ways to make the public sector efficient*, The Centre for Independent Studies, Sydney.

5. Long-term alignment and compliance: An Indigenous Policy Productivity Council overseeing Indigenous Empowerment

1. Closing the gap on Indigenous disadvantage through a development process is a multigenerational challenge. The life expectancy deficit of Indigenous Australians compared to their fellow Australians will not be resolved in short order. It will require the right policies—including policies that actually free individuals and families from the impact of intrusive and disempowering policies—to be identified and followed over the long haul. The flag of reform must fly constantly if the challenge is to be met. While there will be a need to adjust medium-term strategies, and adopt shorter-term tactics, the commitment to the long-term policy must be steadfast and not lightly abandoned. Commitment to the Indigenous Empowerment framework will need to outlast changes of governments. If this is to happen, the lesson from the National Competition Policy is that you need a strong institution, established in legislation and independent of the executive arm of government, to hold all parties to the reform agenda to account for the long term.

The lesson from the National Competition Policy is that you need a strong institution, established in legislation and independent of the executive arm of government, to hold all parties to the reform agenda to account for the long term.

The problem of ‘chopping and changing’

2. Since the abolition of the Aboriginal and Torres Strait Islander Commission in 2004, Indigenous affairs has been one of the most frequently repositioned areas of public policy in Australia. When government changes at a federal, state or territory election, Indigenous affairs policy and administrative responsibility generally change with it. There is little attempt to involve Indigenous people in the process or help them understand the deeper rationale for the changes. Senior government bureaucrats shift with the change, and working relationships that have painstakingly been built collapse and must be rebuilt as new public servants come to terms with new responsibilities.
3. A notable exception is the Closing the Gap policy, introduced in 2008 with bipartisan support, and agreed by the Council of Australian Governments, which has survived changes of government, and is reported on in the Australian Parliament each year. The stop–start approach that pervades Indigenous affairs is debilitating for Indigenous people and their organisations. At each election, Indigenous people are asked to trust a different set of policies and programs ushered in by the new government. Indigenous leaders and organisations make the necessary adjustment and commitment to work with the new situation because to do otherwise may seriously limit their opportunities in support of their members. Governments are the primary funders of services that are essential to the people the organisations support.

The chopping and changing of Indigenous policies, programs and levels of political interest is debilitating for Indigenous people and their organisations, and lets both governments and Indigenous leaders off the hook for long-term commitments and obligations.

4. The chopping and changing of Indigenous policies and programs is not the only variable. The level of interest and personal commitment of key political leaders—premiers and prime ministers—waxes and wanes over the life of a government, as other priorities compete for their focus. During a political term, there can be a very substantial change in interest at the most senior level and this in turn impacts on the way ministers and the public service view the importance of Indigenous affairs at a point in time. The establishment of separate Indigenous affairs portfolios is a vexed issue. The stated intention can be to provide a strong, dedicated focus from a government perspective, but frequently these separate portfolios have little influence on behalf of Indigenous people over powerful mainstream government agencies and their huge non-government organisation provider networks that are responsible for delivering programs and services.
5. These are the realities of the Australian federal system and it is unrealistic to expect consistent alignment, energy and focus on Indigenous affairs from the most senior political leaders. There are too many competing priorities in running a country or state. The essential point is that momentum and sustainability should not be lost as political interest ebbs and flows. Agendas need to be renewed and reinvigorated without dependence on the government of the day as sole, or primary, driver of that process.

National policy

6. Empowered Communities seeks to overcome this problem by achieving commitment to a 10-year Indigenous Empowerment policy driven through a three-way partnership of Indigenous leadership, government and the corporate sector. The aim is to have all key players on the same page working towards the same goals over the long term. Closing the achievement gaps that many Indigenous people face in relation to key socioeconomic indicators is impossible without a long-term timeframe.
7. Ensuring the necessary political will is there to stay the course, from both governments and Indigenous leadership, is crucial. Equally important for governments is avoiding the tendency to cherrypick only the easier parts of a policy to implement. Narrowly focused approaches have been a recipe for failure in Indigenous affairs. Perhaps the most dramatic example is the policy recommendations from the Royal Commission into Aboriginal Deaths in Custody. As noted in Chapter 2 of this report, the late Commissioner Elliot Johnston QC identified the need for empowerment of Aboriginal people as critical in addressing the issues identified by the royal commission.
8. There was unequivocal political support for the findings of the royal commission. In identifying the need for empowerment, Commissioner Johnston also identified the need for ‘a method to be established’ for achieving it without creating a welfare paradigm, and with both Aboriginal people and the broader society playing their parts. However, he did not articulate what should be done to give effect to his insight. His report was silent on the method or system for achieving success in empowering Indigenous people. Governments struggled to answer the question of the method and instead sought simpler answers, leaving the door open for cherrypicking in terms of what they would do. In the event, action was narrowly focused on issues such as improvements to the criminal justice system. The more fundamental question of empowerment was not addressed.
9. Twenty-four years on, incarceration rates for Indigenous people have increased. Finally, 24 years on, this report addresses not only the need for empowerment,



but also sets out a blueprint for the method for achieving it, envisaging—in the way that Commissioner Johnston did—that success would require both Indigenous people and governments to play their respective parts. This opportunity must not be missed this time. Another 24 years must not go by before governments are prepared to work with Indigenous people to establish the method for empowerment. In a broader sense, there has to be recognition going forward that when policies or strategies are not working as intended, they must be corrected and Indigenous and government partners should work together to identify solutions.

The Indigenous Policy Productivity Council

10. Adhering to a 10-year commitment will not be a simple matter for any of the reform partners in an area that has been so characterised by chopping and changing. Progress will not always be quick, gains will stabilise and strategies will need to be refreshed and reinvigorated. This is when resilience and sticking power is most needed—to solve problems, correct course if necessary and remain accountable for obligations, rather than stopping and starting again. In Indigenous affairs, governments and Indigenous leadership alone have been unable to achieve this kind of shift to long-term commitment, however much goodwill has existed.
11. The reluctance of governments to be bound to commitments, and to be obliged to stick with commitments and held to account for their performance, must be overcome. Commitment and performance must shift from ‘best endeavours’ to contractual obligation. The lesson from the National Competition Policy reforms is that you need a strong and independent institution, operating at arms length from the responsible partners, to assist with this. Such an institution must command the respect of all parties to oversee and mandate compliance and hold all partners to account. When the Council of Australian Governments agreed to implement the National Competition Policy in 1995, it established the National Competition Council to assist with the ongoing process. The council was not responsible for implementation or setting the reform agenda, but was charged with ensuring that the goals of the National Competition Policy were met and agreed standards applied.
12. The complexities and cross-jurisdictional responsibilities of Indigenous affairs warrant a similar model to ensure the shift to the Indigenous Empowerment policy gets beyond good intentions that fail to deliver. The establishment of a new independent statutory institution operating at a national level and across the Empowered Communities regions is proposed to help apply the standards and principles of the policy so that the necessary long-term reform can occur. It will be critical to success, help to embed the Empowered Communities reforms and help change entrenched attitudes and practices in a neutral way, free from the natural bias that each partner brings.
13. The new body, the Indigenous Policy Productivity Council (IPPC), will support both governments and Indigenous leadership. It will hold the partners to their commitments in a fearless and impartial way. The council will have the following functions:
 - scrutinise policy and programs that significantly impact on Indigenous people to ensure conformity with the reform principles
 - facilitate the negotiation process for development accords (investment agreements) based on the Indigenous-led development agendas
 - mediate or provide agreed expert determination to disputed issues arising from investment agreements, as needed

Governments and Indigenous partners should be bound by a 10-year commitment to make the shift needed under the Indigenous Empowerment policy, with the support of an independent statutory body, the Indigenous Policy Productivity Council, to hold them to account for obligations made.

- recommend to the Commonwealth that it request the Productivity Commission to carry out research and provide advice on specific policy questions where the partners agree it is necessary
 - publically report on the Empowered Communities regions on an annual basis.
14. To operate effectively, the new body will require the support of all levels of government in a similar way to the National Competition Council, which is funded by the Commonwealth but accountable to all Australian governments. In this case, the Indigenous Policy Productivity Council would also be accountable to the Indigenous partners in the Empowered Communities regions. It will require a legal framework that allows sufficient flexibility to do what has to be done and to be able to involve the right people—those most directly concerned on particular matters. It will focus on building local capacity in all its work, ensuring that as far as possible there is sharing of skills and knowledge with Indigenous people. It will understand that sometimes mistakes will be made and unintended consequences will occur as a result of policy and program innovation—but these mistakes will be used as learning experiences.

Scrutinise policy and programs that significantly impact on Indigenous people

15. Over time, in the Empowered Communities regions, everything from policies to localised programs should be consistent with the Indigenous Empowerment reform principles and development agendas. On that basis, the IPPC is proposed to be an accountability mechanism to ensure the application of approaches that focus on achieving development outcomes, rather than passive welfare and passive service delivery. It will test policy and programs against the reform principles and the development agendas in response to references from governments or an Empowered Communities region.
16. Government is continuously designing, developing and initiating new policy and programs. The IPPC should have the opportunity to review policy and programs that will have a significant impact on Indigenous people prior to consideration by Cabinet. This would allow the council to provide advice on new policy and programs at the earliest opportunity. Policy or programs focusing on education, employment, housing, health, and safe and secure community environments will be of particular interest early on, as these are the policy areas most likely to help or hinder effective improvements across the Empowered Communities regional priorities.

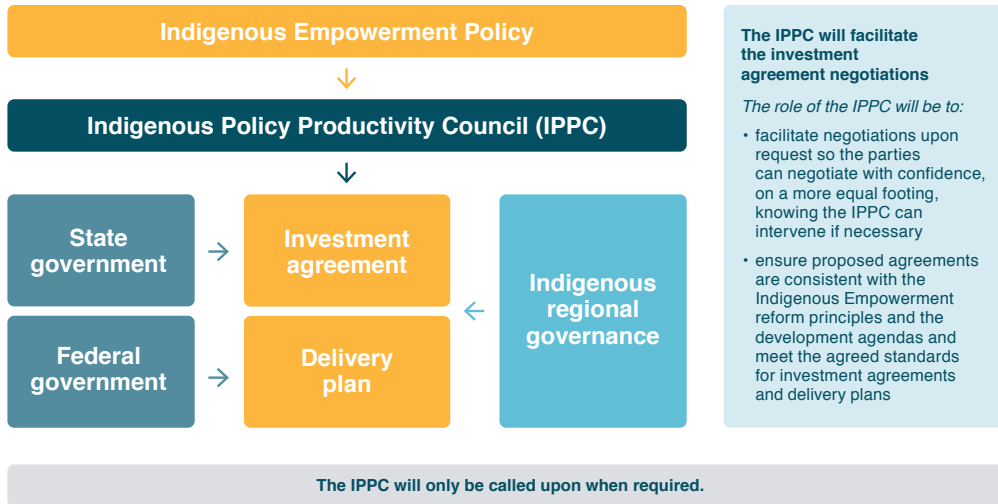
The Indigenous Policy Productivity Council would scrutinise policy and programs that significantly impact on Indigenous people.

Facilitate the negotiation process for development accords (investment agreements)

17. Once development agendas have been established through the regional governance arrangements, the IPPC will have an important role to play in the process of regional agreement-making with governments (Figure 5.1). All parties to development accords (investment agreements) will be able to draw on the IPPC for support in facilitating the accord-making process.
18. It will be important to ensure that investment agreements are suited to local circumstances and realities. The achievement of sustainable reform will require implementation of well-planned and sometimes phased strategies to build progressively towards improved outcomes, and to ensure that things are done in the right order, as circumstances require. While the development agendas may share a great deal of commonality, they—and the associated investment

agreements—will be different from place to place. Effectively dovetailing development agendas and investment agreements will be a new practice for all parties, and may involve complex negotiations. The process must be inclusive and has to start where people are, taking account of current capacity and ability to make effective choices.

Figure 5.1: The Indigenous Policy Productivity Council will facilitate regional negotiations



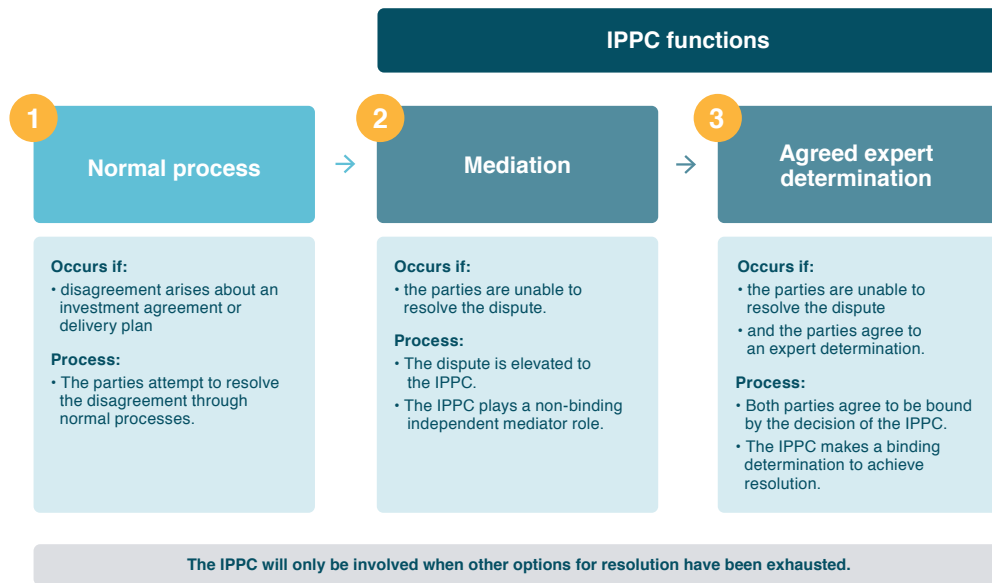
19. The development accords (investment agreements) will be a tool to ensure greater accountability to communities as well as governments for action and outcomes. The IPPC will require that government and Indigenous organisations are answerable for commitments made in investment agreements and through the regionally developed interface mechanisms such as the ‘meeting place’ and ‘negotiation tables’. Investment agreements may include sanctions for providers that are underperforming or are noncompliant. The council will manage these issues as the independent intermediary. This may include mediation or providing expert resolution of disputed issues arising from agreements.
20. The capacity to involve the IPPC if negotiations are stalling, or either party feels they are unable to effectively make their case, will change the usual dynamics of agreement-making between governments and Indigenous peoples. In particular, it will significantly increase the ability of Indigenous parties to negotiate with confidence, whether or not the support is used. Knowing there is a capable, independent and trusted umpire to access, if negotiations start to go off track, will act to level out the playing field in the negotiation process.

Mediation and expert determinations

21. The IPPC will provide mediation if required and, as a final resort and where agreed, expert determinations in relation to disputed issues (Figure 5.2). Disputes may arise from development accords (investment agreements) or in relation to nonconformance to the reform principles and development agendas, or underperformance of service providers. The IPPC will work with the parties to resolve the issues if they cannot be resolved between themselves.

*The Indigenous Policy Productivity Council would **facilitate the negotiation process for investment agreements and mediate or provide agreed expert determinations**, changing the usual dynamics of regional and community agreement-making between governments and Indigenous peoples.*

Figure 5.2: Where disagreement arises, a three-step resolution process is proposed



22. If parties agree to an expert determination process, then they are also agreeing to be bound by the outcomes of that process. Investment agreements should include an agreed role for the IPPC in the dispute resolution process. Agreed expert determinations should be the standard dispute resolution process outlined in the development accord.

Productivity Commission inquiries into specific policy questions

23. It is anticipated that, over the 10-year commitment to these Indigenous Empowerment policy reforms, significant policy questions will arise. The partners may identify the need to better understand the structural underpinnings of a policy area, or a major program, that may be contributing to nonconformance or underperformance.
24. This may require a longer-term review or inquiry than is specifically envisaged in the role of the Indigenous Policy Productivity Council. In such cases, the IPPC should be able to recommend to the Commonwealth that it provide a reference to the Productivity Commission to advise on a specific policy question where the partners agree it is necessary. Advice on appropriate terms of reference would be sought from the partners. The role of the Productivity Commission could take the form of conducting public inquiries and hearings to better understand the issues. Public inquiries would have a possible duration of 2 to 12 months, depending on the scale and scope of the issue.

The Productivity Commission may carry out research and provide advice on specific Indigenous policy questions.

Publicly report on the regions on an annual basis

25. Accessible information enables Indigenous people and government to demand accountability for improved quality of services and prioritisation of expenditure, and ensures that projects financed are actually delivered. Accountability for public resources at all levels (national, regional and local) can be ensured through transparent fiscal reporting.
26. Transparency and public reporting of action against agreements, including resolved and unresolved disputes and issues, are excellent incentives. The National Competition Council used public reporting of reviews and reforms to incentivise treasury departments as proactive agents of change. The IPPC will report on issues, actions and use of funds across regions, and region by region, on an annual basis.

The Indigenous Policy Productivity Council would publicly report on regions on an annual basis.

Governance and organisation of the council

27. The Indigenous Policy Productivity Council will require a legislative framework to support its operation. It is proposed that it be established in legislation, through an Indigenous Empowerment Act, in the prime minister's portfolio. This overarching Act will provide the legislative structure for key elements of the Empowered Communities model. Drawing again on the important lessons of the National Competition Policy, the National Competition Council's functions and powers are set out in legislation. Without legislation, it could not play the role it does in fostering competition policy across the country.
28. As the IPPC would work across all policy areas (e.g. education, health and housing), it will provide a single authority that will have the capacity to develop and apply the insights gained in one area to analogous issues in other areas. By being established as a statutory body, the IPPC cannot disappear into the background of Indigenous affairs. As a statutory body, it can readily be supported by all levels of government over the long term to support the goals of the Indigenous Empowerment policy.
29. It is proposed that the minister appoint the members of the council on the recommendation—or if one of the other government or corporate partners makes a nomination, then with the endorsement—of the founding members of the Empowered Communities regions. The council will be established with at least three members, at least one of whom will be a person who has an association with the communities and regions that have opted in to the Indigenous Empowerment reforms.
30. The council members will be supported by a secretariat that provides advice and analysis at their direction. The council will have direct links with the delivery units recommended in Chapter 6, which will track performance and drive delivery. It will also be able to access data from the monitoring and evaluation framework to aid in its considerations. The council members and secretariat will have access to a specially established panel of experts, on an as-needed basis, to assist it in fulfilling its functions. Early indications from corporate partners suggest a significant contribution for the expert facilitation and mediation services could be provided on a pro bono basis.

The Indigenous Policy Productivity Council should be established through an Indigenous Empowerment Act in the prime minister's portfolio, with three council members (at least one of whom is associated with Empowered Communities), a support team, and capacity to draw on an expert panel.

A staged approach to legislation

Review

31. It is proposed that after the second year of implementation of the Indigenous Empowerment policy framework, and prior to the enactment of legislation, a review will be conducted by the IPPC, together with the partners. The review will consider progress and lessons learned in the first two years, and guide the introduction of legislation giving effect to the Indigenous Empowerment policy. The parliament would be informed of the recommendations of the review through the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs.
32. If the framework is adopted as the headline policy of the participating Australian governments and the partners, and enacted in legislation, provision should be made for a comprehensive review in the 10th year, which will allow for a revision of the framework and new legislative authorisation for its continuation.

Legislation to give effect to the institutional framework of Empowered Communities

33. In proposing the establishment of the IPPC, heed has been taken of the Australian Government's policy, as recommended by the Commission of Audit in its 2014 report, of reducing the number of statutory bodies under Commonwealth law, and cautioning against the proliferation of new entities. While there may be a proliferation of entities at the Commonwealth level, Indigenous affairs does not have a surfeit of statutory bodies and there is ample justification for legislation to give effect to the Indigenous Empowerment policy.
34. The aims of the policy cannot be given effect without legislation and the establishment of an independent statutory institution, the proposed IPPC. However, it is important that time be allowed initially to 'get it right', to assess the reform principles and structures, and to ensure that the institutions proposed to support the Indigenous Empowerment policy are operating as effectively and efficiently as possible. In light of this, it is proposed that the Indigenous Empowerment policy be implemented as a matter of policy agreement in the first phase, and that legislation be developed and enacted within three years for the long term. Representatives of the Empowered Communities should be closely involved in the development of such legislation.

Legislation for the Indigenous Empowerment policy and the Indigenous Policy Productivity Council should be enacted following a review after two years.

Other regions opting in to Empowered Communities

35. Other regions and their communities beyond the existing Empowered Communities may want to opt in to the Indigenous Empowerment policy framework, and provision should be made for those regions and communities to do so at a future time. Provision will need to be made for consultation and planning with new regions and communities that express interest in exploring involvement in the Indigenous Empowerment policy framework.
36. A program for staging the further inclusion of regions and communities into the Indigenous Empowerment policy framework will need to be developed, subject to successful establishment and implementation of the first phase and the outcomes of the initial review. The IPPC should have oversight of the process for extending the Indigenous Empowerment policy framework to other regions. It will be important that there is only one entry point to the Empowered Communities model in each region.

Provision should be made for other regions to opt in to Empowered Communities reforms through the Indigenous Empowerment policy framework.



6. Conclusion: Driving delivery— organisational arrangements, adaptive practice, and monitoring and evaluation

1. The Indigenous affairs landscape is replete with examples of promising new reform policies gone badly wrong in translation to effective delivery. The failure to build understanding and support among Indigenous leadership, entrenched government silos, little capacity to learn as you go and to refine approaches, and inadequate resources for delivery are common causes. Even the best policy is worth nothing if it is not implemented well. It is true that only good policies are worthwhile, but devising good policy—as difficult as it might be—is only part of the challenge. The first step in the process is to come up with the right policies. The next is to win political, governmental and public support for them. The third step is to then implement them. Without effective implementation, the best policies—even with optimal support—will amount to nothing.

Effective delivery requires appropriate and dedicated organisational arrangements, embedding adaptive practice across the reform framework, and a dynamic and developmental monitoring and evaluation framework.

Implementation is the key to successful policy

2. A premise of this report is that achieving the goals of the headline Indigenous Empowerment policy requires the support of a three-way partnership between Indigenous people, Commonwealth, state and territory governments, and the corporate and philanthropic sectors. The three players are already involved, the will to do things differently and succeed is high, and the proposed Empowered Communities delivery methodology builds on this tripartite commitment.
3. That methodology focuses on three main components requiring commitment by all levels of the partnership. First, the organisational arrangements to ensure delivery of the Indigenous Empowerment policy need to be put in place. Second, embedding adaptive practice at the heart of delivery and the monitoring and evaluation framework is vital so that lessons can be learned at every point and necessary refinements made quickly. Third, a dynamic and developmental monitoring and evaluation framework is needed to better equip all partners to succeed in delivering this reform.

Establishing organisational arrangements to ensure delivery

Delivery units

4. Deliverology is an approach pioneered by Sir Michael Barber under Prime Minister Tony Blair’s government in the United Kingdom, demonstrating results in effectively driving complex reform agendas. The model has been further developed by Barber with McKinsey & Company. It places a heavy emphasis on the use of data and targets to drive planning and implementation, and the flexibility to change and

adapt in response to the information available. A small performance-focused team is established that gathers performance data and establishes routines to drive delivery performance.

5. Data are used to set measurable and time-bound targets, and trajectories are established to create a tight link between planned interventions and expected outcomes. Targets are both ambitious and realistic. Historical comparison, and internal and external peer comparisons, are important benchmarking tools used to inform expected targets and trajectories.¹
6. The McKinsey model involves a 10-step delivery methodology which sets out in a comprehensive, logical way the essential steps to effective delivery. Not only has this methodology worked in the UK government context, it also has a proven track record in developing countries in areas such as increasing economic and employment growth, improving education outcomes and reducing crime. These are priority areas for Empowered Communities in achieving the goals of the Indigenous Empowerment policy.
7. This sort of practical delivery model would be easily adapted to the Empowered Communities reforms. It would heed the lessons of the past and provide structure, discipline and clarity of roles for all partners in the implementation of the Indigenous Empowerment policy.
8. One of the essential early steps in adopting a similar model would be to establish delivery units as the 'engine rooms' of delivery. In the Empowered Communities context, this would require a centralised delivery unit based at the heart of government in the Department of the Prime Minister and Cabinet, with direct links to Empowered Communities backbone organisations, which will operate as regional delivery units. The delivery unit model should be adjusted so that it involves the three partners to the Indigenous Empowerment agenda in a coordinated delivery effort.
9. The point of delivery units is not to assume and undertake the jobs of line agencies and other non-government providers, but to be small units which have the function of driving the delivery by the responsible players. The units are a performance-driving engine rather than an administrator. They support the line agencies and organisations that actually deliver the programs, and ensure coordination and performance, but they do not actually supplant the role of those organisations. The centralised delivery unit should be small, and directly report to and have the direct authority of the head of the government in performing its role.
10. The role of the delivery units at both the central and regional levels would include tracking performance, problem solving, breaking through blockages, making critical connections and recommending course corrections or refining the approach as necessary.

Delivery units should be established in the Department of the Prime Minister and Cabinet and in the Empowered Communities backbone organisations as the engine rooms of delivery.

The Department of the Prime Minister and Cabinet

11. Drawing on aspects of the deliverology model, the centralised delivery unit in the Department of the Prime Minister and Cabinet (PMC) should be a dedicated team led by a senior executive with a track record of delivering outcomes and direct access to the top leadership of PMC and key government ministers. It would have the appropriate authority to work across government agencies at the Commonwealth level and to connect with state and territory ministers and departments in jurisdictions that have adopted the Indigenous Empowerment

¹ Barber, M, Moffit, A and Kihn, P 2011, *Deliverology 101: a field guide for educational leaders*, Corwin: California.

policy. It would report directly to the prime minister on a monthly basis. Another important connection for the central unit would be with the new PMC network of senior regional managers being established with the specific role of problem solving, who would also be expected to have direct connections to the regional delivery units in the backbone organisations.

Empowered Communities regions

12. The regional delivery units would be led by the head of the backbone organisation. They will have direct access to the senior Empowered Communities Indigenous leadership, and be able to draw directly on senior corporate support as needed, and the local knowledge managers based in their organisations who will be tracking delivery and implementation daily. The units would be responsible for coordinating across the Empowered Communities opt-in organisations, driving the work to negotiate and settle first priorities agreements in the first year. In parallel, they will drive the preparation of long-term development agendas, the negotiation and settling of development accords (investment agreements) and annual delivery plans with the government partners over an 18-month to two-year period.

Institutionalising delivery

13. Without commitment to a planned and collaborative approach between the partners, there is high risk that the goals of the Indigenous Empowerment policy will not be achieved. Much of the delivery beyond the high energy and effort of the first few years will be day-to-day hard slog and the danger is that interest and commitment levels of all partners will wane. It will be the job of the delivery units to keep on top of this and refresh and reinvigorate. They will help to institutionalise delivery, tapping into the Empowered Communities monitoring and evaluation framework to regularly track performance, targets and trajectories as they are agreed and delivered.

First priorities agreements

14. First priorities agreements will be settled in the first year of implementation of Empowered Communities. It is expected that they will be finalised within a six-month period, and that while they would be formally agreed between the Indigenous and government partners, they would not be complex, nor would they be comprehensive reform agreements. They will focus on one or more of the high-priority goals of rebuilding Indigenous social and cultural values, set out in Chapter 2 of this report. Where possible, they will build on existing reform work that Indigenous leaders are pursuing in each of the regions, particularly in relation to education, employment, housing, health, and safe communities and families, including tackling domestic violence and alcohol and drug abuse.
15. Negotiation of these agreements will be the first chance the partners will have to work through the new relationships and related issues associated with the shift to the Indigenous Empowerment agenda. They will provide an opportunity to quickly demonstrate the benefits of the Empowered Communities model across the regions and within government. The first priorities agreements will merge into the longer-term development agendas and accords (investment agreements) as they are developed.

First priorities agreements, focused on one or more of the high-priority goals of rebuilding Indigenous social and cultural values, will be settled in the first year of implementation of Empowered Communities.

Delivery plans

16. The Empowered Communities reform framework will use a system of annual delivery plans to support the longer-duration development accords (investment agreements). These would be agreed between the partners to the investment agreements each year and will set out the agreed plan of action and specific targets and trajectories for the year.
17. They will be a key tool for the delivery units in tracking performance on a regular basis, and will provide transparency for Empowered Communities and government leaders about progress, gaps and any need for course correction.

Design and innovation labs

18. Design and innovation labs are another component of the deliverology model worth highlighting and testing in the context of Empowered Communities delivery. The use of labs to inject new ideas, break down silos and translate high-level strategies into detailed implementation plans is a key feature of the methodology.²
19. Typically, a lab is used to solve problems in an intensive way, involving all the necessary key players. Over a six- to eight-week period, these people come together each day in one location to resolve issues and work out the best way forward. Senior stakeholders visit each week to assist and be updated on progress. The aim of the lab is to agree targets and action plans, achieve stakeholder sign-off, agree a budget and funding source, and identify a dedicated team responsible for delivery. The lab process allows policy issues to be worked through from program design right through to a budgeted, ready-to-implement program—within a matter of months rather than the usual 12- to 18-month cycle.
20. To work effectively, the model would require a significant commitment of time and resources of key people from Empowered Communities, government and experts from corporate partners. The commitment would be intensive over a number of weeks. There would be financial and other costs associated with the approach in the short term. The potential benefits, however, have been demonstrated to outweigh the relatively short-term disruption and expense in the results McKinsey has achieved.
21. It is useful to compare this model with the way in which previous attempts at government and Indigenous community agreements have been handled—for example, the most recent version, the local implementation plans associated with the National Partnership Agreement for Remote Service Delivery. The policy intent was positive but frequently these plans took many months or more to negotiate, tying up Indigenous and government resources for lengthy periods, in the end with questionable results for both Indigenous people and government.
22. The potential opportunity costs of the lab model in return for some short-term intensive effort make it an attractive alternative proposition, worthy of testing in the delivery of the Empowered Communities reform agenda.

The use of intensive design and innovation labs to inject new ideas, break down silos and translate high-level strategies into detailed implementation plans should be tested.

² McKinsey, *Delivery: Breakthrough Impact, Changing Lives*.

Government as enabler

23. The way in which government staff involved in Empowered Communities conduct themselves within the partnership will have a significant impact on the overall capacity to shift to an Indigenous Empowerment policy framework. Having the capability and knowledge to operate in an enabling way, as described in Chapter 3 of this report, will be essential if key government people are to help rather than hinder Indigenous development. This is fundamental to the inside-out approach to leadership that Empowered Communities seeks to embed.
24. It will be a different role, a different skill set and a different way of operating for most of the public servants involved, and new skills will have to be learned. The creation of a specific program for government officers working on Empowered Communities delivery, run under the aegis of an organisation like the Australian Graduate School of Management, with dedicated components developed specifically for Indigenous affairs, would build a network of public servants with the capacity and expertise to play effective roles in local and regional delivery of the Empowered Communities framework.
25. It will also be important that the administrative arrangements put in place within governments to help implement Empowered Communities remain stable over 10 years. One reason there has been so much ‘reinventing of the wheel’ in Indigenous affairs is because of frequent changes in the administrative arrangements and new public servants being put in place to administer Indigenous affairs who do not have specific skills and experience. A dedicated group of professionals is required and the acquisition of those skills should be valued and rewarded by the public service.

A specific program is needed for government officers working on Empowered Communities delivery, run under the aegis of the Australian Graduate School of Management or similar organisation, with dedicated components developed specifically for Indigenous affairs.

Driving delivery

26. Chapter 3, on reform leadership, argues the need for strong local leadership and ownership by Indigenous people to drive reform if it is to be sustainable. In his report entitled *Creating Parity*, Andrew Forrest makes much the same point when discussing the need for influential and strong local governance arrangements.³
27. The Empowered Communities framework is a vehicle for delivery, not only of the specific goals of the Indigenous Empowerment policy, but also of other related major Indigenous reforms. It will firmly cement a partnership between governments and strong and collaborative Indigenous leadership that could aid the delivery of current and emerging reforms such as the Indigenous Advancement Strategy, *Creating Parity*, the Flexible Literacy for Remote Schools Project, extension of the Cape York Welfare Reform, the Wunan Foundation’s Living Change initiative in the East Kimberley, and state initiatives such as Local Decision Making in New South Wales and the recently announced consideration of an Aboriginal Regional Authority model in South Australia. Discussion of the future of remote communities is more properly taken forward under this framework.

The Empowered Communities reform framework is a vehicle for effective delivery, not only of the specific goals of the Indigenous Empowerment policy, but also of other related major Indigenous reforms.

³ Forrest A 2014, *Forrest Review: Creating Parity*, Australian Government, Canberra.

28. Empowered Communities provides the means to contribute to and strengthen the delivery of these initiatives. The involvement of Empowered Communities should be based on a set of principles that preserve the integrity of the Indigenous Empowerment approach, including that any action should be Indigenous proposed and be on an opt-in or choice basis rather than externally imposed. In the case of welfare reform, the following principles should apply:
- all proposals should be non-discriminatory and compliant with the *Racial Discrimination Act 1975* (Cth)
 - intervention should occur only where there is a failure of responsibility and not where people are already taking responsibility
 - governments should respond to regions and communities wanting to use welfare reform levers to address issues such as homelessness, drugs and youth at risk on the basis of supporting individuals and families to get back on their feet, rather than a punitive or cost-saving measure.

Adaptive practice

Implementation of the Indigenous Empowerment policy will take time to 'get it right', mistakes will occur, directions will need to be corrected and adaptive practice will be essential so that the partners can learn as we go.

29. One of the defining characteristics of Indigenous affairs is that the gap between good intentions and execution is wide. Under Empowered Communities, the reform principles and the development agendas will provide guidance, but some initiatives will fail or falter and require correction.
30. All partners will have to work flexibly towards the empowerment agenda, with a high degree of local and regional knowledge and variability. Complexities and problems will have to be addressed as they arise, unproductive measures stopped and space provided for the partners to actively look for what will work.
31. Delivery, supported by the monitoring and evaluation system, should be flexible enough for all involved to learn from successes and failures and so provide more useful information to help Indigenous leaders, governments and other service providers to drive change effectively and efficiently. This requires building a constant capacity for learning and adapting over a lengthy process of incremental learning and cyclical design, including rechanneling funding efficiently where required.
32. A commitment to this type of adaptive practice should be agreed between the partners early on and embedded in all elements of the Indigenous Empowerment policy framework.

The greatest tragedy of policy and regulatory failure is failing to learn from it, yet this 'seems to be the predominant history of Indigenous policies and programs'.

Monitoring and evaluation

33. Too often, evaluations of key Indigenous reforms have been of limited usefulness for Indigenous people and policymakers. The evidence about what works, including for whom, under what circumstances, at what cost, and why, remains scant. As Gary Banks has noted, the greatest tragedy of policy and regulatory failure is failing to learn from it, yet this 'seems to be the predominant history of Indigenous policies and programs'.⁴

⁴ Banks, G 2013, 'Introduction—why this roundtable?' in Productivity Commission, *Better Indigenous Policies: The Role of Evaluation*, Roundtable Proceedings, Productivity Commission, Canberra, pp. 17–20 at p. 18; and Fitzgerald, R 2013, 'Outcomes for Indigenous Australians—the current situation' in Productivity Commission, *Better Indigenous Policies*, pp. 21–50.

34. In Indigenous affairs, where programs claim success, they often do not account for the effects of other programs competing in the same small locations. More frequently, however, evaluations show policy and program failure, and provide little information in the process to help guide new approaches and further innovation.
35. Monitoring and evaluation in Indigenous affairs is still a relatively uncharted and developing field, and one that needs greater effort to continue to improve. Data challenges remain significant, even though the range and volume of administrative data used to compare Indigenous and non-Indigenous Australians has grown substantially in recent years and can inform assessments of progress.
36. At the heart of the Empowered Communities reform agenda is the recognition that individuals and families are the key agents of social change. More useful data sources are needed that can better indicate change needed at the individual and household levels if a better evidence base is to be built that enables learning as we go in Indigenous affairs. The targeted use of linked unit-record-file data, establishing a longitudinal survey focused on individual and family development, and selective use of analytic case studies could significantly improve the way such exercises are undertaken.

Longitudinal survey data focusing on individual and family development

37. An important investment could be made in collecting quantitative and qualitative survey data that could be used to track and evaluate individual and family development over time (for example, such a longitudinal survey could consider household management of income and budgeting, self-esteem, and aspects of parenting). Developing a semi-structured survey that can provide baseline and periodic longitudinal data focused on individual and family development would provide valuable information that is not otherwise available through administrative data collections.
38. Such an approach has been used over the long term by the Telethon Institute for Child Health Research and Professor Fiona Stanley to build the evidence base, while at the same time strengthening Indigenous research capability and providing employment.⁵ One existing survey, the Longitudinal Study of Indigenous Children, tracks individuals over time, and was established in 2008. It could potentially be used to provide counterfactual analysis for the Empowered Communities regions. This possibility would require further exploration.

Selective case studies

39. High-quality case study approaches have developed a great deal over recent decades and are increasingly recognised as playing a significant role in understanding complex development interventions where change is not likely to be linear. The key advantage of case study research is that it can clarify things that would not otherwise be visible ordinarily in outcomes evaluation or impact measurement approaches. Case study approaches will be particularly relevant in the Empowered Communities context, where the ultimate aim of the reforms is to bring about complex change in the lives of individuals and families in the regions. In such situations, it may often be preferable not to focus on traditional outcomes evaluation or impact measurement (large quantitative studies), but rather on case studies, with the aim of fully understanding how the change in personal outcomes can be explained, based on case study research.

⁵ See www.telethonkids.org.au for information about the Western Australian Aboriginal Child Health Survey.

Putting a monitoring and evaluation framework in place

40. The aim of the Empowered Communities monitoring and evaluation framework is to have a much stronger focus on dynamic and developmental evaluation and learning as we go to generate implementation and delivery data that helps the delivery units track performance, drive delivery and support innovation. This is a move away from the traditional evaluation methodology.
41. While monitoring and evaluation should be embedded in the design and delivery of Empowered Communities from the outset, it is not possible or desirable to fully develop an outcome framework ahead of the detail and scope of priorities and activities being agreed at the regional level. However, a number of key supports and actions need to be put in place from the start. These are set out below, and summarised in Figure 6.1.

Establishing baselines

42. Baseline data should be established quickly during the first phase of the monitoring and evaluation process. Baselines established at the outset will inform targets and trajectories, and should provide powerful information at the local and regional levels to Indigenous leaders, governments and other stakeholders who are working for change.⁶
43. Baseline mapping will involve the overarching social and cultural values of Empowered Communities that will be addressed in first priorities agreements in each region in the first year. Sustained changes in relation to these values are likely to be longer-term impacts of reform work.
44. Developing a framework that identifies leading indicators to provide measures of progress in the shorter term could draw on existing indicator frameworks, such as the Overcoming Indigenous Disadvantage report, and apply this indicator framework at the local and regional levels, incorporating locally developed indicators.
45. Consideration should also be given to whether baseline data can be collected for areas of the Empowered Communities reform agenda such as improved policy and service delivery coherence, and improved financial arrangements.

Ensuring monitoring and evaluation capacity across the system

46. Implementation of a high-quality monitoring and evaluation framework will require appropriate capacity and capability across Empowered Communities, including at the regional level. Backbone organisations will need employees with specific skill sets that enable them to play a leading role in the development of shared measurement systems, targets and expected trajectories of change. Data management roles will also be critical.
47. Work will need to be undertaken to build the governance capability of service delivery organisations to undertake frontline adaptive practice—that is, to be prepared to adapt and change in response to emerging implementation data, which will in turn strengthen the monitoring and evaluation framework.

6 It has been argued that 'there is no need to collect existing data into a baseline study before a programme or policy commences if [those] data are readily available and can be produced at any time', but such a position neglects the importance of Indigenous leadership and shared ownership of measurement systems to drive change. See, for example, James, M 2013, 'Designing evaluation strategies' in Productivity Commission, *Better Indigenous Policies: The Role of Evaluation*, Roundtable Proceedings, Productivity Commission, Canberra, pp. 107–118 at p. 111.

Local knowledge managers

48. To drive monitoring and evaluation at the regional level, it will be important to have individuals in each of the regions who have appropriate expertise. Local knowledge managers should be embedded in the backbone organisations. The key functions of this role would be to:
- assist and drive the ongoing development and implementation of the monitoring and evaluation framework at the regional level
 - supervise collection of baseline data
 - help align local program interventions to Empowered Communities objectives and work with opt-in organisations to evolve simple theories of change
 - ensure that regularly collected and analysed implementation data form a rapid feedback loop for all opt-in organisations, enabling them to test and iteratively adapt and innovate their program design and approaches on the ground
 - engage closely with each opt-in organisation to help build measurement capabilities and foster a culture of data-driven decision-making by effective relationship building and communication to varied program audiences
 - work closely across the Empowered Communities structures to assist in communicating what is being learned as the reforms unfold.
49. The employment of local knowledge managers will need to occur in the first phase of Empowered Communities, so that they can assist with baseline data collection from the outset.

Central monitoring and evaluation coordination

50. A central monitoring and evaluation coordinator should be put in place to provide ongoing oversight and facilitation across the system, including as a key point of contact and information sharing for the centralised and regional delivery units. This role would:
- assist with and coordinate the finalisation and implementation of the Empowered Communities monitoring and evaluation framework
 - lead the design of baseline data collection
 - provide ongoing mentoring support and advice to the local knowledge managers
 - manage quality assurance across the system
 - ensure the successes and challenges of Empowered Communities are communicated throughout the system so that they may be leveraged to inform improvements, adaptations and innovations.

Independent expert advice

51. From the outset, independent third-party experts—from government, the corporate sector or universities—will be required to assist with the development and establishment of the monitoring and evaluation framework and to train and provide ongoing coaching to local knowledge managers. They would support the central monitoring and evaluation coordinator.

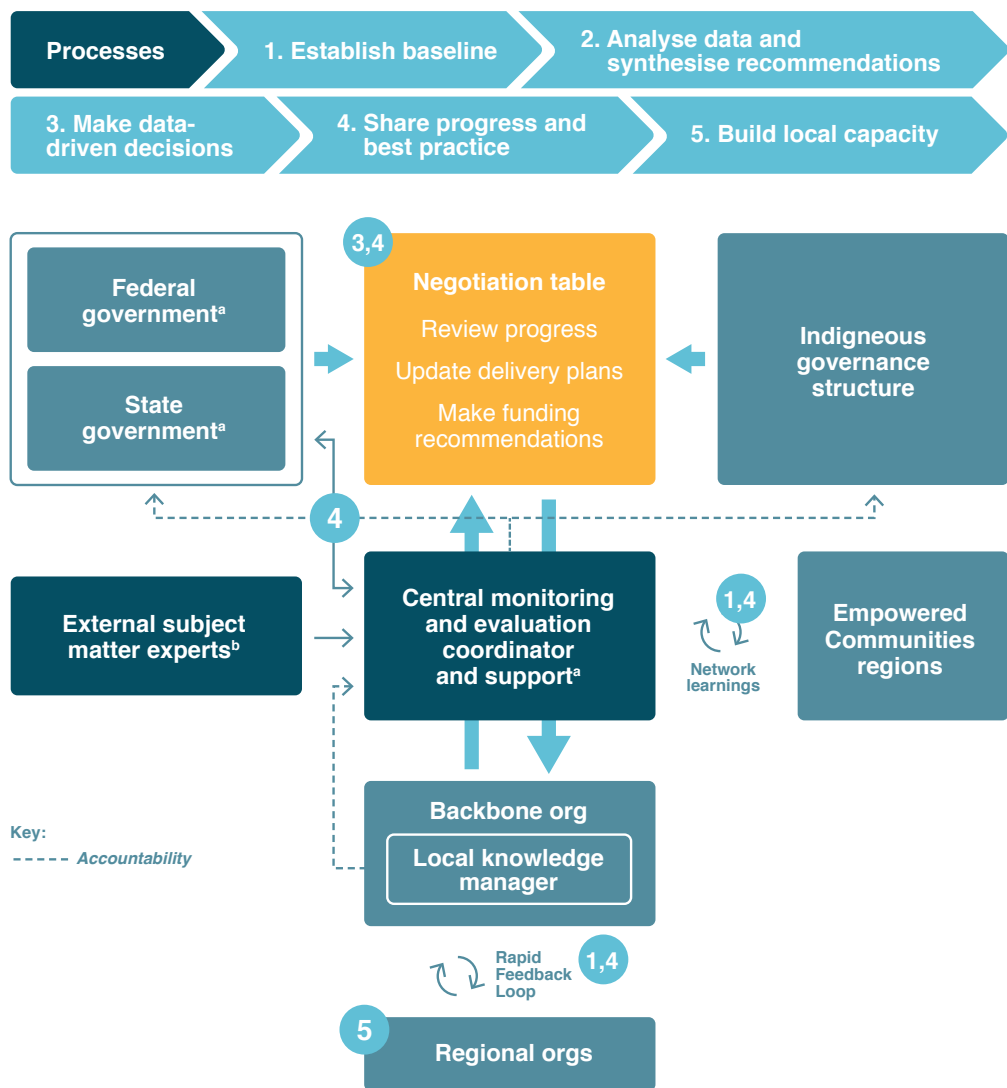
Accurate baseline data, rapid feedback loops to Empowered Communities partners through local knowledge managers, central coordination, expert advice and regular reports are key components of learning as we go through the monitoring and evaluation framework.

52. They may also be required to assist with compiling baseline data, developing monitoring tools and resources, and developing quality assurance systems and processes. The experts would be engaged as needed throughout the development of the monitoring and evaluation process, on the advice of the central monitoring and evaluation coordinator.

Information systems to support monitoring and evaluation

53. To support the monitoring and evaluation framework, some specialised information systems and software may be required to support efforts to communicate successes and challenges.

Figure 6.1: Key components of the Empowered Communities monitoring and evaluation framework



a Central monitoring and evaluation coordinator and administration would be housed within Empowered Communities central team, but accountable to Indigenous governance leaders in each region.
 b External support would be brought in to provide expertise as required.
 c Includes links to government data experts, e.g. within the Department of the Prime Minister and Cabinet.

Note: Existing structures would be used where possible.

Reporting

54. Implementation progress will need to be monitored and evaluated in an ongoing way. Progress reports at the two-year and five-year marks will assist in determining the overall status of three key evaluation questions:
 - Are the Empowered Communities reforms supporting the effective and efficient achievement of desired social, economic and cultural development outcomes?
 - Are the Empowered Communities reforms leading to systematic changes across Indigenous affairs, consistent with the reform principles?
 - Have the Empowered Communities reforms been implemented effectively?
55. At the two-year mark, an Empowered Communities monitoring and evaluation framework will be in place and baseline mapping should be completed in most regions. A data-driven system for implementation, with regular monitoring diagnostics, will be in place to encourage reform efforts.
56. The frequency of the key monitoring events and meetings is to be determined (for example, it may be quarterly or more frequently, and may vary over the life of Empowered Communities and between regions), but should involve meetings between local knowledge managers and frontline workers to assess what is working, what is not working, and the adjustments that may be necessary to improve the approaches being taken. These regular monitoring meetings will support adaptive practice.
57. At the two-year mark, a monitoring and evaluation report will be able to start to identify how the implementation system is working and perhaps provide some data and examples that illustrate the lessons learned and innovations made accordingly.
58. At the five-year mark, it may be too early to determine whether outcomes or impacts in terms of the social and cultural values, for example, have been achieved. Nonetheless, at this point an assessment of the overall changes achieved under Empowered Communities will need to be conducted.

Closing comments

1. In this report, we have set out our method for achieving Indigenous Empowerment. We have referenced the insightful words of the late Elliot Johnston QC in the recommendations of the final report of the Royal Commission into Aboriginal Deaths in Custody, delivered 24 years ago. He correctly identified the need for the empowerment of Indigenous people but not the method for achieving it. More than two decades on, our report sets out a comprehensive method for achieving empowerment. In developing the model, we have heeded the lessons from the success of the National Competition Policy, which we believe are analogous to our current circumstances. We believe we have got the policy right. We believe there is the requisite leadership. We believe our plan is compelling and can be supported by governments and our corporate and philanthropic partners.
2. The challenge we now face will be to deliver. Delivery is the key to success. The royal commission's recommendations did not achieve their potential largely because a practical method was not articulated by the commission or later established by governments and Indigenous people. We have bridged this gap and proposed a policy and model for empowerment. If delivery is not taken as seriously as we have taken the development of our model, then we will fail. We have set out in Chapter 6 of this report the crucial components of a delivery model. It encompasses ongoing roles for the three partners that are essential to success. We have canvassed how we see those roles being played in a different way from the past, with Indigenous reform leaders as senior partners, government as an enabler in support of Indigenous people, and continuing support from the corporate sector. Adaptive practice, enabling us to learn as we go, throughout all aspects of delivery is part of the foundation of our model.
3. We recognise the delivery and compliance institutions that we propose will require dedicated resourcing. We propose these only because they are an essential investment in driving delivery and supporting Indigenous families and individuals in the Empowered Communities to achieve social, economic and cultural development. This is balanced by our commitment to greater productivity to ensure all available resources and opportunities are beneficially used.
4. We commend this report to the consideration of the Australian Government, to state and territory governments, our Jawun partners and the Indigenous Australians of the Empowered Communities and other communities interested in our project. We thank the Indigenous Australians of the Empowered Communities and our government and Jawun partners for their support during the design phase of this report. We particularly thank the Australian Government for the support provided to enable us to develop this report.

The challenge we now face will be to deliver. Delivery is the key to success. If delivery is not taken as seriously as we have taken the development of our model, then we will fail.

Recommendations

This report **recommends** that the Commonwealth, state and territory governments, the participating Empowered Communities regions and communities, and the corporate and philanthropic entities that participate in this reform ('the Partners'):

Adoption of Indigenous Empowerment as national reform policy

1. **Adopt** *Indigenous Empowerment* as the headline National Reform Policy that will apply to those Indigenous regions and communities that have opted in to this reform policy.
2. **Recognise** that *Indigenous Empowerment* is to be understood by its ordinary English meaning, involving two aspects:
 - a. Indigenous people empowering themselves by taking all appropriate and necessary powers and responsibilities for their own lives and futures
 - b. Commonwealth, state and territory governments empowering Indigenous people by sharing, and in some cases relinquishing, certain powers and responsibilities and by supporting Indigenous people with resources and capability building to assume these powers and responsibilities.
3. **Recognise and Adopt** three elements of the *Indigenous Empowerment* concept:
 - a. *Indigenous Self-Determination*: That Indigenous Australians have the right to self-determination within the life of the Australian nation, as equal citizens and recognised as the Indigenous peoples of Australia.
 - b. *Mutual Rights and Responsibilities*: That Indigenous Australians and Australian governments have mutual rights and responsibilities.
 - c. *Subsidiarity*: That the authority to decide and act is to rest at the closest level possible to the people or organisations the decision or action is designed to serve.
4. **Affirm and Agree** that Indigenous Australians of the Empowered Communities have a *Right to Development* which includes their economic, social and cultural development as families and individuals and as communities and peoples.
5. **Agree** that this Indigenous Empowerment policy be adopted by all participating governments through a formal Agreement that is binding for as long as it takes for the goals of the policy to be secured, and that:
 - a. the aim is to ensure complete alignment of policy between the Commonwealth and the states and territories, and ensure that the policy is maintained beyond the electoral cycles of all participating governments
 - b. the policy not be abandoned or changed except as contemplated by the Agreement through which it is established.

Peoples, Places, Families and Individuals are the focus of Indigenous Empowerment

6. **Recognise** that the Indigenous Empowerment policy will apply to the Peoples and Places from which the Families and Individuals come and with which they are connected. The policy recognises the primacy of the local nature of Peoples and Places, and is aimed at their empowerment.
7. **Premise** that in all Empowered Communities regions there are many distinct communities and peoples, and the aim of *Indigenous Empowerment* is to enable those communities to participate in this Empowered Communities framework in order to advance the development of their Peoples and their Places. The partners recognise that national and regional institutions and initiatives are only proposed so that there is an enabling framework for place-level Development Agendas.

The Goals of the Indigenous Empowerment policy

8. **Agree** that the goals of this Indigenous Empowerment policy are two-fold:
 - a. to *Close the Gap on the Social and Economic disadvantage* of the Indigenous Australians of the Empowered Communities
 - b. to enable the *Cultural Recognition and Determination* of Indigenous Australians of the Empowered Communities so that they can preserve, maintain, renew and adapt their cultural and linguistic heritage and transmit their heritage to their future generations.
9. **Understand and Recognise** that *Cultural Recognition and Determination* is just as important as *Closing the Gap on Social and Economic Disadvantage*, and must be pursued concurrently and with equal emphasis, commitment, resources and goodwill.

The Three-part Test and Principles of Indigenous Empowerment

10. **Adopt** the following Three-part Test of Indigenous Empowerment to assess all policies, programs and investment decisions:
 - a. **the Empowerment Test**—Is what is proposed consistent with the Indigenous Empowerment policy?
 - b. **the Development Test**—Is what is proposed supported by the international evidence base for Development?
 - c. **the Productivity Test**—Is what is proposed the most productive use of the available resources and opportunities?
11. **Agree** that the proposed Indigenous Policy Productivity Council will progressively articulate a more detailed set of Reform Principles that can guide the future implementation of the Indigenous Empowerment policy, extending from the following principles:
 - a. the principle of subsidiarity
 - b. that all policy and resource inputs are put through the same funnel
 - c. that Indigenous regions and communities participate on the basis of opt-in
 - d. that all governments and Indigenous regions and communities align and commit to the policy by agreement
 - e. the Indigenous leadership principle
 - f. that while the pursuit of tactical actions may be short term and the adoption of strategic directions may be medium term, the commitment to policy is long term and not subject to chopping and changing with government changes.

The Agreed First Priorities for Reform

12. **Recognise** that the Indigenous Peoples of the Empowered Communities desire to affirm and rebuild the social and cultural values of their communities and their peoples, and in particular to strengthen:
 - Respect
 - Responsibility
 - Care
 - Friendship
 - Kinshipin ways that honour their inherited cultures and traditions, including modern expressions of these values in response to contemporary life.
13. **Agree** that governments and the Empowered Communities will consider ways in which governments can support Indigenous peoples and communities in this aim of rebuilding and strengthening Indigenous social and cultural values where appropriate and where required. In particular, the parties **recognise** that re-establishing Indigenous Authority will at times necessitate formal legal recognition and institutional authority, and governments will engage with the Empowered Communities to consider any reform proposals that will help recognise and rebuild the authority and responsibilities of Indigenous peoples.
14. **Agree** that the First Priorities for reform in the Empowered Communities include:
 - a. that children are enrolled, attend school every day and are school ready, and that parents need to be actively involved in their children’s education
 - b. that children and other vulnerable people are cared for, healthy and safe in their families, and that families at risk are urgently supported to care for their children so that they can remain with their families; and that where children are removed from their families, that every effort be made to ensure that families can be supported to restore a caring and safe environment for their return—and that the safety and welfare of the children remain the paramount concern
 - c. that all capable adults participate in either training or work
 - d. that all community members living in social or public housing abide by the conditions related to their tenancy, and those community members wishing to transition from rental accommodation to private home ownership will be supported
 - e. that communities will work to urgently and seriously tackle the problems of domestic violence and alcohol and drug abuse, and ensure that communities are safe and the rights of all community members are recognised and respected under the law and under the social and cultural values of the communities.
15. **Recognise** that these First Priorities for reform are firstly advocated by the leaders of the Empowered Communities, and secondly supported by governments. It is about governments recognising and respecting the goal of rebuilding Indigenous social and cultural values, rather than imposing policy priorities. It is, at its core, about Aboriginal Culture, not government policy.
16. **Recognise** that as the Indigenous Peoples of the Empowered Communities pursue these First Priorities, there is a reciprocal obligation on governments and others within the wider Australian community to ensure that Indigenous people are welcomed and their children and young people are treated with respect and dignity and services and places of study and work are inclusive of their cultures and identities.

The National-Level interface—Indigenous Policy Productivity Council

17. **Recognise** that if the goals of the Indigenous Empowerment policy are to be achieved, the Partners need to ensure that there is long-term alignment and compliance across Indigenous organisations at the community and regional levels, and across governments at the state and national levels.
18. **Agree** to establish an independent mechanism in the form of a lean statutory body that oversees the interface between governments and Indigenous communities to support the achievement of the goals of the Indigenous Empowerment policy over the long term.
19. **Agree** to establish the Indigenous Policy Productivity Council with the following functions:
 - a. scrutinise policy and programs that significantly impact on Indigenous people to ensure conformity with the reform principles
 - b. facilitate the negotiation process for regional agreements based on the Indigenous-led regional development agendas
 - c. mediate or provide, where agreed by the Partners, expert determinations to disputed issues arising from agreements, as needed
 - d. recommend to the Commonwealth that it request the Productivity Commission to carry out research and provide advice on specific policy questions where the Partners agree it is necessary
 - e. report publically on the regions on an annual basis.
20. **Agree** that there be provision:
 - a. for the Minister to appoint, on the recommendation—or if one of the other Partners makes a nomination then with the endorsement—of the founding members of the Empowered Communities regions, at least three members of the Indigenous Policy Productivity Council, at least one of whom will be a person who has an association with the communities and regions that have opted in to the Indigenous Empowerment reforms
 - b. to ensure the Council Members are supported by a small team of necessary support staff
 - c. to enable a panel of experts, with relevant background and experience, to be established to support the work of the Council Members, as required.

Regional and Community Governance and Interface with Governments

21. **Premise** that in all Empowered Communities regions, effective reform leadership will require the collaboration of:
 - a. those with *leadership intent*—those who will be affected by change and who intend to play a role supporting and driving the changes over the long term
 - b. those with *experience*—those who are the users or who experience the end product of collaborations; for example, individuals and families, communities and organisations
 - c. those who can assist with *design*—those who can assist with the development of policy and initiatives; for example, government, academia and service providers.
22. **Recognise** that governance arrangements must be strengthened. These governance arrangements:
 - a. must articulate the coordination and cooperation of an Indigenous reform leadership at the local and regional levels, in order to enable development at the local level
 - b. will vary from region to region, including in terms of the arrangements put in place to ensure cultural authority is respected and appropriately engaged
 - c. are for Indigenous people to develop and implement, but will require enabling support from governments.



23. **Agree** to support the ongoing efforts of Empowered Communities leaders to develop and strengthen regional governance arrangements, with features including:
 - a. Indigenous reform leaders at the organisational level who are able to opt in to the Indigenous Empowerment reforms
 - b. a regional interface for dealing with government, which may be referred to by various names across the regions involved, such as the 'meeting place' or 'negotiation table' or an appropriate local Indigenous name
 - c. a backbone organisation nominated in each region to perform a secretariat function and support the regional governance arrangements.
24. **Recognise** that while these proposals are intended to improve governance arrangements at the local and regional levels to enable local development outcomes, they do not address the need for a national representative body which may be established as part of the broader agenda for recognition of Indigenous Australians and enable a voice to policy and lawmakers at the national level.

Regional and Community Development Agendas

25. **Recognise** that the approach to Closing the Gap in terms of social and economic outcomes is a development challenge, and the lessons of success and failure from development efforts across the globe must be brought to bear on the challenge.
26. **Agree** that:
 - a. place-based Development Agendas will give practical effect to the Indigenous Empowerment reforms in relevant regions and communities. The Development Agendas determine and sequence place-based priorities, and will guide long-term investment.
 - b. place-based Development Agendas will be established for five years. They must be sustainable and may take 18 months to two years to fully develop.
 - c. in parallel with the development of long-term place-based Development Agendas, First Priorities Agreements will be progressed in each region. These will be focused specifically on one or more of the First Priorities. They will be developed over six months in 2015 and negotiated with government partners at the agreed regional interface.

Reorienting investment to fund Development Agendas

27. **Recognise** that the best approach for informing and targeting investment allocations is to ensure that they are consistent with and support the achievement of a Development Agenda for the region and community concerned.
28. **Agree** that as place-based Development Agendas are put in place, relevant governments will work with each of the Empowered Communities regions to reorient investment behind the Development Agendas. This will be achieved by:
 - a. governments providing transparency about the overall flow of funding into the region through a regional budget
 - b. pooled funds over which there is increased Indigenous decision-making control, established on a regional basis as government accounts, with consideration given to outsourcing the administration of the pooled account to an accounting services provider to enhance efficiency
 - c. a proportion of the Indigenous-specific spending currently flowing to the region being made available to fund priorities under the Development Agenda as a starting point, and with the level of this funding growing over time
 - d. identification of areas of mainstream Indigenous funding on a region-by-region basis that can be migrated into the pool
 - e. a system of performance-based funding that incentivises reform, creates a 'race to the top' and supports increased investment in Development Agendas over time as development outcomes are demonstrated.

Regional and Community Development Accords (investment agreements)

29. **Agree** that once the Development Agendas have been established by the Empowered Communities regions, governments will enter into Development Accords (investment agreements) at the regional and community levels to make investment agreements according to the priorities set out in the Development Agenda.

Adopting a Funding Efficiency Dividend through Productivity

30. **Recognise** that while it is not clear whether current funding is sufficient or insufficient to achieve the nature and degree of development that is needed in Indigenous affairs, it is clear that current strategies are not producing the results that should rightly be expected from the expenditure.
31. **Recommend** that the Commonwealth request the Productivity Commission to:
- undertake a thorough review of Indigenous Budget expenditure that considers how to increase productivity from the expenditure and also assess the overall sufficiency of the funding
 - make recommendations about how the use of allocations from the Commonwealth Grants Commission for Indigenous Australians can be made transparent and directed in ways that are consistent with this Indigenous Empowerment policy
 - make recommendations about an Efficiency Dividend to be applied across the quantum of annual Indigenous expenditure, in a form that addresses the shortcomings of the existing approach identified by the Centre for Independent Studies report on the Efficiency Dividend.

Transitioning current supply-driven programs to demand-driven programs by empowering Indigenous Peoples as purchasers and co-purchasers

32. **Recognise** that one of the central problems identified in this report is the predominance of supply-driven programs aimed at Indigenous Australians. These supply-driven programs have grown with the outsourcing of service delivery to the non-government and private sectors in the past decade, and the diminution of Indigenous service organisations. These supply-driven programs do not fit what is needed and are not producing the outcomes that their significant investment represents.
33. **Agree** that a primary objective of this reform is to place Indigenous individuals, families and communities in a position of demand, and wherever possible in a position to choose the services and opportunities they need.
34. **Agree** that the assumption that identified needs are to be met by the provisioning of a service needs to be questioned and consideration given to whether the provisioning of direct opportunities may be a better and more effective response to the identified needs, and that:
- as the response to the McClure Review of welfare is being considered, immediate consideration be given to developing an Opportunity Support System, to provide a clear fork in the road and a pathway out of welfare to self-reliance, underpinned by mutual obligations. Such a system would change incentives and offer guaranteed opportunities in return for taking up obligations.
 - consideration be given to the establishment of the Opportunity Support System under an 'Opportunity Bill' akin to the system established by the GI Bill in the United States.
35. **Understand and Recognise** that the sheer size and scope of external providers and the non-government organisation (NGO) sector that is active in Indigenous lives and places have had the unintended consequence of compounding the disempowerment of Indigenous people, have impeded the growth of Indigenous responsibility and leadership, and have become part of the welfare passivity problem.

36. **Agree** that it is time that governments, external NGOs and Indigenous reform leaders work together to plan a transition that will see contraction and reform of the ongoing role to be played by external providers in Indigenous lives and places. As Indigenous reform Partners begin to take up a far greater role in decision-making processes about service delivery, there will be:
 - a. continuing service delivery functions for NGOs where those organisations are the best equipped to deliver a particular service or program
 - b. a valuable support role to be played by large NGOs for Indigenous organisations wanting assistance to strengthen their capabilities.
37. **Agree** that Indigenous organisations and communities be placed in the position to be purchasers of services, and where appropriate, co-purchasers along with governments and other parties, of services to their people. In this way, they are in a stronger position to ensure alignment of initiatives, and proper accountability for delivery by the providers.
38. **Agree** that governments will enter into agreements to transition current supply-driven programs to demand-driven programs, with clear commitments to a timetable and obligations to make the transition.

Giving effect to the Indigenous Right to Development

39. **Recognise** that while Australian governments readily concur that Indigenous Australians urgently require economic development on their lands and within their regions and communities, there are many barriers constraining such development—and that some of the crucial barriers are within the control of governments. This means that Indigenous proponents of economic development need proactive support and facilitation of their proposals from governments.
40. **Agree** that, subject to the specific recommendations of reports such as the *Creating Parity* report and the recommendations that may be produced by the Tribal Wealth Review, governments will consider and take action on one or more of the following mechanisms for proactive support and facilitation to be provided by Commonwealth, state and territory governments to Indigenous development proposals:
 - a. designating projects of Indigenous Development Significance (akin to Projects of State Significance) that attract specific government facilitation by the most senior economic departments responsible for high-priority projects within governments
 - b. establishing procedures to expedite assessments and approvals, and for ensuring that regulatory approval processes are fair and take into account the development deficit in Indigenous communities
 - c. establishing an Indigenous Development Ombudsman role within governments to ensure that Indigenous development proponents are treated fairly and in a timely way through regulatory and approval processes, and that they receive the support and facilitation they need from government departments and relevant authorities.

Tripartite approach to Indigenous Empowerment involving the Corporate Sector with Indigenous Communities and Governments

41. **Recognise** the critical role that Jawun has played in strengthening the capability of Indigenous organisations and individual leaders in the Empowered Communities regions over the past decade by mobilising corporate and philanthropic partners to work with Indigenous communities and governments.
42. **Recognise** the value of the corporate and philanthropic partnership in generating innovation, and that the learning network function facilitated by Jawun has helped to embed good practice across the Empowered Communities.
43. **Recognise** that extending coverage to other regions and places will require a new way to spread the advantages of corporate support and partnerships to ensure that they benefit from a tripartite approach.

Cape York Welfare Reform and East Kimberley Living Change

44. **Recognise** that Cape York has its Cape York Welfare Reform initiative and Wunan has its East Kimberley Living Change initiative.
45. **Recognise** that in relation to non-universal welfare reform measures that particular regions or communities wish to initiate, it is up to each region and community to decide which measures they wish to adopt or not adopt. For example, if Cape York wishes to adopt measures that are specific to that region, this will not be a universal measure across all Empowered Communities. It will be up to each region to decide.
46. **Agree** that the Commonwealth, state and territory governments should respond to each region and their communities in respect of reform proposals to address homelessness, youth at risk, and substance abuse on a case-by-case basis at the request of the regions and communities.
47. **Agree** that any such reform proposals are supported on the basis that they are aimed at helping individuals and families to get back on their feet, and not on a punitive or cost-saving basis, and that all such proposals be compliant with the *Racial Discrimination Act 1975* (Cth).

Driving Delivery

Establishing the organisational arrangements to ensure delivery

48. **Recognise** that getting the implementation and delivery arrangements right to underpin the Indigenous Empowerment policy will be critical to the success of Empowered Communities.
49. **Agree** that the Partners will invest in a comprehensive, practical delivery model drawing on the Deliverology approach developed by Sir Michael Barber in the United Kingdom, including the following key components:
 - a. establishment of an Delivery Unit within the Department of the Prime Minister and Cabinet to drive implementation, track performance, solve problems (break through blockages and make critical connections), and to link directly to the department's new regional network structure, as well as to the Empowered Communities backbone organisations that will operate as regional Delivery Units. The Delivery Unit model should be adjusted so that it involves the three Partners to the Indigenous Empowerment agenda in a coordinated delivery effort. The Delivery Unit should report directly to the Prime Minister on a monthly basis.
 - b. operation of Design and Innovation Labs in the Empowered Communities regions to accelerate the translation of high-level strategies into detailed project plans, setting targets and locking in stakeholder commitment to priority strategies.



50. **Recognise** that putting in place a comprehensive delivery methodology for the Indigenous Empowerment policy has potential broader application for significant Indigenous reforms, enabling Empowered Communities to act, on an opt-in basis, as a vehicle for the effective delivery of other reforms such as:
 - a. the recommendations in the Forrest Review report, *Creating Parity*
 - b. the Indigenous Advancement Strategy
 - c. the recommendations in the McClure Review report, *A new system for better employment and social outcomes*
 - d. the Flexible Literacy for Remote Schools project
 - e. the Cape York Welfare Reform project
 - f. the Wunan Living Change project
 - g. other specific state and territory government and community initiatives, for example Local Decision Making in New South Wales, and the future of Indigenous remote communities.
51. **Recognise** that, in this context, the viability of remote Indigenous communities is a complex issue for both Indigenous Australians and governments across Australian jurisdictions.
52. **Agree** that any future consideration of this issue must be handled sensitively and with respect for the Indigenous families and individuals who live in remote communities, and that affected communities are not left in an ongoing state of uncertainty about their futures.
53. **Agree** that consideration of the future of remote Indigenous communities is more properly taken forward in a planned way under this Indigenous Empowerment policy framework.
54. **Further agree** that, should governments adopt this framework, they will work with Indigenous reform leaders and others in remote Empowered Communities regions where the future of remote communities may be under discussion, to ensure that affected members of those communities have the opportunity to benefit from the right to the economic, social and cultural development that underpins this framework.

Government as Enabler

55. **Recognise** that the way in which government staff involved in Empowered Communities conduct themselves within the Partnership will have a significant impact on the overall capacity to shift to an Indigenous Empowerment policy framework.
56. **Recognise** that the knowledge and capability of those staff to act in an enabling way will be essential, and that this will be a different role, skill set and way of operating that will have to be learned.
57. **Agree** that the creation of a specific program is needed for government officers working on Empowered Communities delivery, run under the aegis of an organisation like the Australian Graduate School of Management, with dedicated components developed specifically for Indigenous affairs.
58. **Agree** that the aim of the program would be to build a network of public servants with the capacity and expertise to play effective local and regional roles in Empowered Communities, and that the acquisition of those skills would be valued and rewarded within the public service.

Adaptive practice

59. **Recognise** that the Indigenous Empowerment policy implementation will take time to ‘get it right’, mistakes will occur, and directions will need to be corrected as the capability and knowledge of the Partners increases around this new way of working.
60. **Agree** that adaptive practice is an essential part of an effective Empowered Communities delivery system. It requires a monitoring and evaluation framework that will enable all Partners to learn as we go and provide the flexibility and agility to review, adapt and refine approaches based on the real-life lessons about what is working well and what can be improved or changed.

Monitoring and Evaluation

61. **Recognise** that while the overall outcomes of Empowered Communities should be evaluated after five years, it is important to have in place from the start a more dynamic and developmental approach that better equips the Partners to navigate the successful implementation of the Indigenous Empowerment policy.
62. **Agree** that the monitoring and evaluation model requires a mechanism for real-time feedback to enable innovation and adaptation as feedback is received and processed and that it should include the following components:
 - a. establishing a baseline from the outset
 - b. creating a supporting architecture where Local Knowledge Managers are embedded in backbone organisations in the regions to collect and analyse data for the rapid feedback loop
 - c. putting in place a Central Monitoring and Evaluation Coordinator to work with the local knowledge managers and facilitate across the system on behalf of the partners
 - d. having capacity to draw on external third-party experts from the start, to support the central Monitoring and Evaluation Coordinator and Partners as required, including establishing the monitoring and evaluation framework and training the local knowledge managers
 - e. building monitoring and measurement capacity among the Partners in each region
 - f. establishing mechanisms to extract insight and share learning across the Empowered Communities.

Review

63. **Agree** that following two years of the first-phase implementation of this Indigenous Empowerment policy framework, and prior to the enactment of legislation giving effect to it, a review will be conducted by the Indigenous Policy Productivity Council together with the Partners. This review and its recommendations will be fed into the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs to inform the parliament on its consideration of any Bill giving effect to this framework.
64. **Agree** that the Parties intend—in the event that this framework is adopted as the Headline Policy of the participating Australian Governments and the Partners, and enacted in legislation—that provision be made for a comprehensive review in the tenth year, which allows for a revision of the framework and new legislative authorisation for its continuation.

Other Regions and Communities opting in to Empowered Communities

65. **Recognise** that other regions and communities beyond the existing Empowered Communities may want to opt in to the Indigenous Empowerment policy framework, and **Agree** that provision will be made for such regions and communities to opt in.



66. **Recognise** that provision will need to be made for consultation and planning with new regions and communities that express interest in exploring involvement in the Indigenous Empowerment policy framework.
67. **Agree** that a program for staging the further inclusion of regions and communities into the Indigenous Empowerment policy framework will be developed, subject to successful establishment and implementation of this first phase and subject to the outcomes of an initial review.
68. **Agree** that the Indigenous Policy Productivity Council will have oversight of the process for extending the Indigenous Empowerment policy framework to other regions, and that there will be only one entry point to the Empowered Communities model in each region.

Legislation to give effect to the Institutional Framework of Empowered Communities

69. **Take heed of** the Commonwealth Government's policy, as recommended in the Commission of Audit's 2014 report, of reducing the number of statutory bodies under Commonwealth law and cautioning against the proliferation of new entities.
70. **Recognise** the position of the leaders of the Empowered Communities that while there may be a proliferation of entities at the Commonwealth level, Indigenous affairs does not have a surfeit of statutory bodies and there is ample justification for legislation to give effect to this Indigenous Empowerment policy, and that the aims of this Indigenous Empowerment policy cannot be given effect without legislation and the establishment of a statutory institution in the form of the Indigenous Policy Productivity Council.
71. **Agree** that this Indigenous Empowerment policy be implemented as a matter of policy agreement in the first phase, and that legislation be developed and enacted within three years.
72. **Agree** that representatives of the Empowered Communities are closely involved in the development of such legislation.

Institutional Framework of Empowered Communities as an element of a legislative response to Constitutional Recognition of Indigenous Australians

73. **Recognise** that this Indigenous Empowerment policy and the institutional framework of Empowered Communities can be an integral element of a legislative response to the Constitutional Recognition of Indigenous Australians, and that legislation giving effect to empowerment can comprise part of the package of recognition proposals that may form part of the Commonwealth's response to Indigenous Recognition.
74. **Recognise** that, as distinct from (a) Land and Resource Rights and (b) Recognition of Cultural Heritage and Reconciliation, this approach to Indigenous Empowerment seeks to address (c) the Social and Economic Development of Indigenous Australians by proposing the means by which government support to Indigenous Australians is more productive and leads to parity.
75. **Explore** the potential for integrating this Indigenous Empowerment agenda into the broader development of proposals for Indigenous Recognition.



- CAPE YORK
- CENTRAL COAST, NEW SOUTH WALES
- EAST KIMBERLEY
- GOULBURN-MURRAY
- INNER SYDNEY
- NGAANYATJARRA PITJANTJATJARA
YANKUNYTJATJARA LANDS
- NORTH-EAST ARNHEM LAND
- WEST KIMBERLEY

Part 2

Empowered Communities regions

The Empowered Communities regions span remote, regional and urban Australia. These eight significant regions cross Western Australia, South Australia, the Northern Territory, Queensland, New South Wales and Victoria, and include many remote communities, homelands, regional towns and urban hubs. The regions are:

- Cape York, Queensland
- Central Coast, New South Wales
- East Kimberley, Western Australia
- Goulburn-Murray, Victoria
- Inner Sydney, New South Wales
- Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands, Central Australia
- North-east Arnhem Land, Northern Territory
- West Kimberley, Western Australia.

We have been leading local reforms in our regions for several years now. We are supported by Jawun Indigenous Corporate Partnerships and have collaborated to share ideas, learnings and experience. Across all of our regions, reform has consistently focused on empowering Indigenous people to act on their own behalf, and to make the decisions they need to make for themselves and their families.

Our common aim has been to improve outcomes in key socioeconomic areas and restore important social norms and practices in our communities and regions and, at the same time, to maintain our distinct cultures, heritage and languages as Indigenous peoples. We have achieved this in different ways through reforms to education and employment; Indigenous business development; housing and home ownership initiatives; the maintenance and restoration of language and culture; alcohol and drug reforms; and a focus on improving the safety and security of our home environments.

Joining forces as Empowered Communities regions

We met together, as 25 Indigenous leaders from the eight regions, in June 2013 on the Central Coast of New South Wales, and decided to join forces to achieve the transformational changes we are all seeking. Following this meeting, and with the support of Jawun corporates, we developed a proposal to government setting out a framework for comprehensive structural reform of Indigenous affairs in our regions, through a new, more balanced partnership with governments.

By August 2013, both sides of federal politics had supported a detailed design phase to develop the proposed Empowered Communities reform agenda. Ideas were further discussed in August 2013 at the Yothu Yindi Foundation's Garma Festival in north-east Arnhem Land, and a set of design principles were agreed. We launched Empowered Communities on 28 August 2013 to national media coverage.

Jawun agreed to support the design phase through corporate secondees in each region, in addition to providing high-level support from senior corporate members. The Commonwealth Government supported a regional coordinator in each region. Empowered Communities has gone on to win public and community support, including from the Business Council of Australia and other corporates.

Designing our reform proposals

Since then, we have met regularly as a leadership group to develop and design our proposals for reform, and oversee progress.

In collaboration with Indigenous leaders and organisations in our regions, and with continuing support from major Australian corporates through Jawun, and support from the Commonwealth, state and Northern Territory governments, we have advanced our ideas about the Empowered Communities model. The recommendations in this report set out our plan for a long-term Indigenous Empowerment policy framework built on a partnership between Indigenous people, governments and corporate partners. The framework seeks to ensure that Indigenous people in the Empowered Communities can benefit from their right to economic, social and cultural development and that, in pursuit of that goal, resources and opportunities are most productively used.

The design phase included a steering committee made up of senior Indigenous leaders, corporate members, and government representatives from the Commonwealth, New South Wales, Queensland, Western Australia and the Northern Territory (see Appendix A). The steering committee provided valuable strategic advice and guidance. Many individuals, leaders and organisations have generated ideas and much interest in this project.

Our hope is that the model being developed will be of interest not only in our regions but to Indigenous peoples across the country. We hope the new model we propose can be expanded to other regions over time.

Engagement and consultation in our regions

Engagement work commenced early in the design phase. We wanted to ensure that our practical knowledge and experience, and that of other Indigenous people in our regions, informed the design of our model. It has to be workable and able to meet each region's needs and priorities. We are leading engagement and consultation processes within our regions to build support for Empowered Communities, with potential opt-in organisations, other organisations, cultural leaders and individuals.

Our regional coordinators and a small central team are collaborating in the engagement process on our behalf. Three key assumptions guided the work:

- We are experienced in engagement. We see little benefit in a centrally mandated way of engaging. The emphasis is on creating and implementing regional and community engagement, considering opportunities and risks and challenging existing assumptions.
- We are relatively time-poor. We have dedicated our time to Empowered Communities on top of our normal workloads. We conservatively estimate that, collectively, we have dedicated at least 12 months of our time away from our regions during the design phase.
- We believe that good design and engagement are interdependent.

Now that our design report is finalised, and as we await the formal response from governments, we continue to engage within our regions and communities, working with those who want to opt in to the Indigenous Empowerment agenda. We want to ensure the widest possible understanding of and support for the Empowered Communities reform model within our regions.

Snapshot of activity

Significant effort has been invested in engagement across the regions. The following is a snapshot of those efforts:

- over 340 organisations have been engaged
- more than 348 engagement sessions/interactions (includes co-design and decision-making workshops, and information and engagement sessions) have been held
- over 100 possible opt-in organisations were consulted
- nearly 50 leaders from the regions have been directly involved in design engagement.

The individual sections on our regions in the following pages provide greater detail about where we started, our goals, hopes and challenges for the future, and how we propose to go forward in order to implement the Indigenous Empowerment policy framework in our Empowered Communities regions. .

Appendix A contains a list of the members of the Empowered Communities Steering Committee.

Cape York

Our history and context

We acknowledge the foundations laid by generations of Cape York people.

Cape York is a region of linguistic, cultural and environmental diversity. Cape York Indigenous people have much in common and are bound by a shared history.

Before colonisation, Cape York was densely populated and Cape York people maintained complex kinship networks and traded across the continent. Even as Captain James Cook sailed the *Endeavour* along the east coast in 1770, he observed how diligently Cape York people could be seen managing their land, including by using fire.

After colonisation, our populations were decimated by direct conflict and diseases such as smallpox. Squatters were encouraged to take up leases and the first cattle station was established on the Cape in 1864. The arrival of pastoralists was often violently resisted by Cape York people. The gold rush from 1873 to the Palmer River area also led to hostile encounters between miners and Cape York Aboriginal people. The need for labour on the bêche-de-mer, trochus and pearling boats involved abduction of able-bodied Aboriginal people and severely depleted our Aboriginal population on the east coast. A unit of the Queensland Native Mounted Police Force was established in Cooktown in 1873. This was the first of many such units established across the Cape in the following decades.

We then endured extraordinary levels of government and missionary control over a long period. The small Indigenous 'communities' across Cape York today are largely artificial creations that date back to this period. The communities were established from the late 1800s as Indigenous people were removed from their traditional territories to missions and reserves. Under Acts of the Queensland Government, beginning with the *Aboriginals Protection and the Restriction of the Sale of Opium Act 1897* and extending through to the 1980s, our people were usually not allowed to continue ancestral culture and languages and were denied the right to travel, vote or marry without the permission of the administrator/superintendent.

Much of our Cape York history is still poorly known, or thought to be long past. In fact, as recently as:

- 1963, all the residents of Mapoon were forcibly removed by armed police for the benefit of miners and were relocated 200 kilometres away by boat; people watched their homes being burned to the ground as they were removed at gunpoint
- 1972, records show people were removed to Yarrabah
- 1987, the last mission closed at Wujal Wujal.

Rights bring benefits and unintended consequences

After dislocation, dispossession and the mission time came a period in which Indigenous peoples' rights were increasingly recognised. This brought both benefits and unintended consequences.

Indigenous people were recognised as citizens of Australia and equality took a leap forward with the 1967 referendum and the elimination of racially discriminatory legislation. This progress, however, also gave Indigenous people in Cape York the right to drink alcohol and the right to gamble. After the introduction of a regular supply of alcohol, Cape communities that were 'once liveable and vibrant' became 'disaster zones'.¹

¹ P Sutton, *The politics of suffering: Indigenous Australia and the end of the liberal consensus*, Melbourne University Press, 2009, p. 1.

The recognition of the right to equal wages brought mass unemployment as many Indigenous pastoral workers were laid off. With the entitlement to welfare we gained the 'right' to welfare dependency. Government intervention in the lives of Indigenous people increased and services were increasingly provided to fix problems. But governments acted in a way that took away our responsibility and decreased our self-reliance.

Peter Sutton describes his experience of living in Aurukun in the early 1970s and draws a contrast with the situation by the late 2000s in which there was a dearth of community involvement in the services available in the community. He recalls that in the 1970s:



Local men mustered cattle and ran the local butcher shop, logged and sawed the timber for house-building, built the housing and other constructions, welded and fixed vehicles in the workshop, and worked the vegetable gardens, under a minimal set of mission supervisors. Women not wholly engaged in child-rearing worked in the general store, clothing store, school, hospital and post office.²

Our land rights victories have been hard-won, unifying battles

The struggle for land rights has brought the people of Cape York together over many years in a common cause. We have battled miners, pastoralists, governments and conservationists for recognition of our property rights and our right to make decisions about development on our own lands. We have had some historic wins and some hurtful losses.

- In the 1950s, Comalco discovered the world's richest deposit of bauxite in western Cape York. Subsequent actions of the Queensland Government to grant mining leases led to a series of actions of the people of western Cape York to defend their rights in land.
- John Koowarta of the Winychanam group took his battle to acquire land in his country in central Cape York to the High Court in 1981 in *Koowarta v Bjelke-Peterson*. Later, the Bjelke-Petersen Government action denied Koowarta the land he had fought for by declaring it a national park.
- From the late 1980s, Cape York people fought off plans for a spaceport on Indigenous land, including through a High Court action.
- The Wik people created a historic precedent that native title could continue to exist in pastoral lease areas in their High Court victory in 1996.
- In 2014, Wild Rivers declarations made by the Queensland Government for the Archer, Lockhart and Stewart river basins were found to be invalid by the Federal Court in *Koowarta v State of Queensland*. Later government action snatched defeat from the jaws of this victory.

Cape York land summits have been very important events. They have brought leaders from across the Cape together so that we could speak with a united voice to defend our land rights.

In recent decades we have increasingly been taking control

The insights of Cape York leaders and old people, often at key land summits, have led to a sharp focus on 'our right to take responsibility'.³ Following in the steps of our brothers and sisters who blazed the trail, Cape York people have played a leading role in demanding a shift to recognise that Indigenous people are inherently capable. We do not need our problems fixed for us: we must be enabled to fix them for ourselves.

We have strong leadership in Cape York. We have many capable people, young and old, male and female. Our Cape York women have proven themselves to be tenacious in leading reform; for example, it was often Cape York women who led the charge to stop the destruction caused by alcohol.

The insights and the shared vision articulated by Cape York people gave birth to the Cape York Agenda and the Cape York Welfare Reform trial. We demanded a move—from a hand-out to a hand-up mentality—to overcome the corrosive effects of passive welfare. The leadership of four communities, Aurukun, Coen, Hope Vale and Mossman Gorge, opted in to the home-grown Cape York Welfare Reform trial. These reforms were not forced on us by governments.

² Ibid., p. 40.

³ See N Pearson, *Our right to take responsibility*, Noel Pearson and Associates, 2000.



The need for change

Despite our successes, we have a long way to go. Cape York's Indigenous people make up more than 50 per cent of the region's population and a significant proportion of the Cape has now been legally recognised as Indigenous land. However, we face an employment crisis, our region remains underdeveloped and home ownership is not yet possible, let alone a norm, for most people.

Forty years of passive welfare has displaced responsibility from Indigenous people. Statistical data show that social norms have collapsed. For example:

- Fifty to 80 per cent of Cape York Indigenous people drink at harmful levels.
- Infant mortality rates are two to three times those of non-Indigenous Australians.
- In 2002, only 18 per cent of adults had completed Year 12.
- Life expectancy is 59 years for males and 65 years for females: about 17 years less than for non-Indigenous Australians.⁴

We must continue to confront this crisis. We have started to rebuild social norms and local authority, and to demand that government intrusion in our lives retreats. We need government to continue to invest in building the capability of Cape York people, and to ensure the right enabling environment for development.

Cape York people have been clear about their aspirations—these have been articulated in the Cape York Agenda. Many of the things that Cape York people want, such as kids finishing school, getting a job, learning a trade, starting a business and being healthier, reflect what any family might hope for. We must ensure social, economic and cultural success for our people:

- *Social outcomes.* Our focus on improving educational outcomes (attendance and performance) for children in Cape York has helped move the issue to front and centre of the national debate. Our approach to rebuilding local authority to restore social norms has started an important shift. We need to continue to build on this success.
- *Economic outcomes.* We are now at the starting line in terms of economic development. We must 'use it or lose it'. Enabling the long-term social and economic viability of Cape York means expanding and diversifying the region's economic base, and reducing reliance on government support. Cape York people must 'orbit'⁵ for work and education opportunities.
- *Cultural outcomes.* In some areas our ancestral languages and cultural practices are more fragmented; in other places they remain more whole. Aurukun, for example, is rich in that children continue to grow up speaking Wik ancestral languages as a mother tongue. In other areas, communities of language speakers are shrinking. We must hang on to and rebuild our ancestral languages and our knowledge of key places, people and stories of our ancestral cultures.



Hope Vale student, Cape York Aboriginal Australian Academy.

Cape York Partnership

4 Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous disadvantage: key indicators*, Productivity Commission, Canberra, 2005, 2009 and 2011.

5 'Orbiting' refers to Cape York Indigenous people moving out of Cape York to take up work and education opportunities elsewhere, but maintaining their connection with ancestral lands and cultural hearth on Cape York, and orbiting back to contribute back at home.

Leadership and governance

Under the Empowered Communities initiative, we have the opportunity to improve Indigenous-led governance and empower our reform leaders. We have drawn on lessons from our past efforts to propose governance arrangements that can help our organisations work more effectively together (see Figure 2.1).

These governance arrangements recognise that Indigenous organisations need to have autonomy, and that our fundamental goal is to mobilise individuals and families as the key agents of change. This means we must create an environment in which Indigenous individuals and families can just get on with their lives in a positive way. Not every Cape York Aboriginal person should have to devote their life to 'Indigenous affairs' in order for us to make our voices heard and make reform happen.

We have many Indigenous organisations that provide leadership across the Cape and in different areas of service provision (for example, local government, land use and decision-making, economic development, health).

They include:

- *Local councils.* From the 1980s Indigenous councils were established in most former missions or reserves to introduce self-management. Indigenous councils in the Cape exist in Aurukun, Hope Vale, Kowanyama, Lockhart, Mapoon, Napranum, Pormpuraaw, Wujal Wujal and the Northern Peninsula (including Injinoo, Umagico, Bamaga, New Mapoon and Seisia).
- *Other local leadership organisations.* Some former reserves did not have councils created—for example, Laura, Coen and Mossman Gorge—and other local leadership organisations have emerged in these places, such as the Coen Regional Aboriginal Corporation at Coen and Bamanga Bubu Ngadimunku Inc at Mossman Gorge.
- *Land-holding bodies such as land trusts and prescribed bodies corporate operating at a local or sub-regional level.* There are more than 50 Indigenous land-holding organisations across Cape York. These land-related governance structures represent positive outcomes in terms of our struggles for land rights, and add to the complexity of Indigenous governance in Cape York. They are usually involved in leadership only when direct dealings in land must occur.
- *Cape York regional organisations.* In 1990 the Cape York Land Council was formed, followed by the Apunipima Cape York Health Council, the Balkanu Cape York Regional Development Corporation, Cape York Partnerships, the Cape York Institute and the Family Responsibilities Commission.

When we are at our best, our Cape York leaders and Indigenous organisations provide a good network of Indigenous leadership and governance. At our worst, we provide confused, overlapping governance with fighting among ourselves and poor coordination of effort.

Sometimes we are pulling in different directions, or competing against each other for resources, power and influence. Sometimes it feels very much like we are fighting over the scraps.

Community governance and social control is often plagued by factional fighting, particularly along lines determined by family and cultural identification and membership.

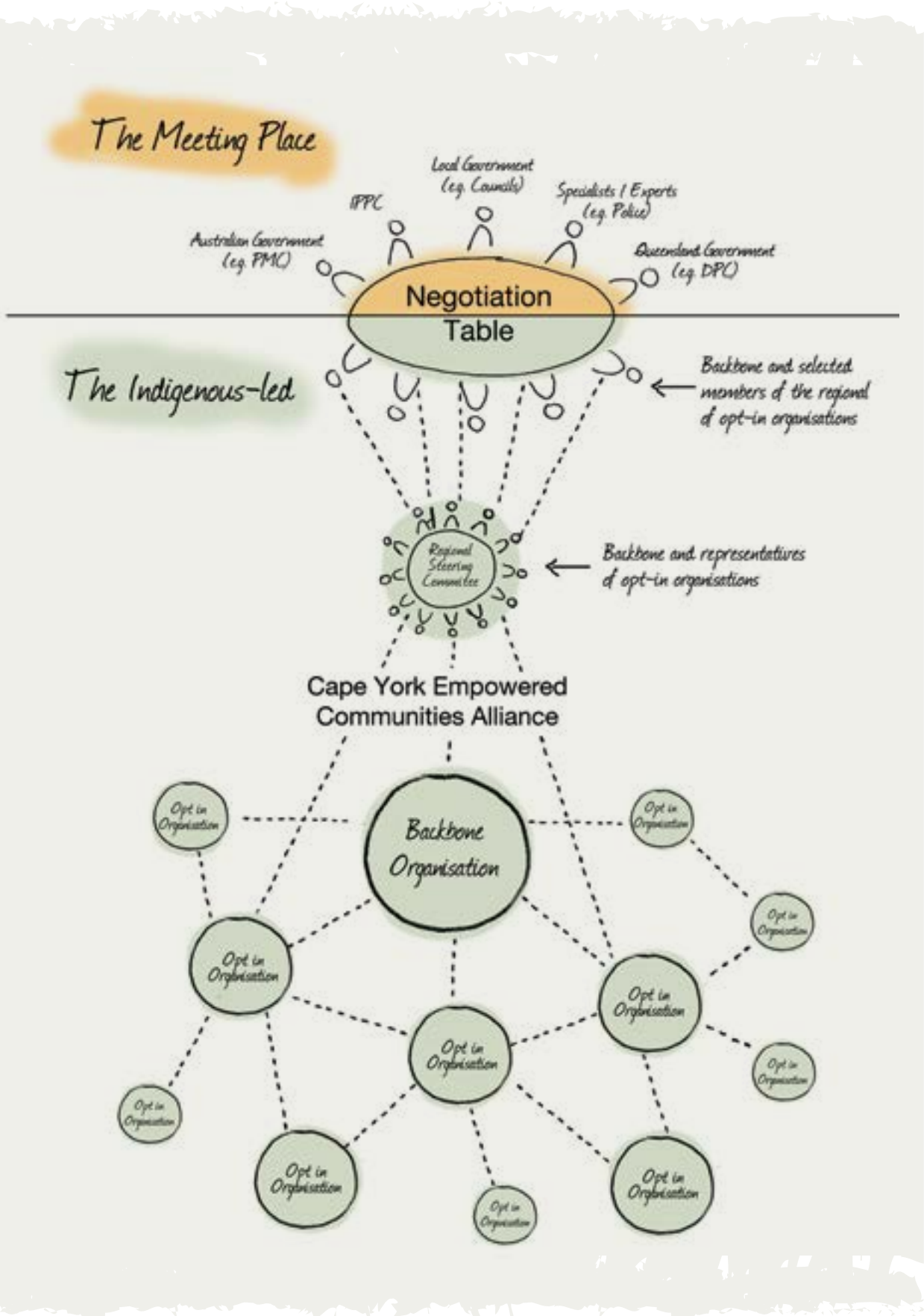
Although they have a limited on-the-ground presence, federal and state governments continue to play a far greater role in governance and social control in our region than is the case elsewhere. The influence of effective Indigenous authority remains too limited.

Under Empowered Communities, we must continue to strengthen our partnership across the region to make sure that Indigenous people have a say in the decisions that are important to them. We want to create a mechanism through which we can more effectively harness our collective action so that we are pulling in the same direction, but at the same time we need to ensure that people and organisations can pursue things in their own way.

Under Empowered Communities, we want to invest real authority, power and capability building in courageous leaders and organisations that are prepared to stand up to support a reform agenda, and support those with a proven track record in leading change. All leaders and organisations must 'walk the talk' of the Empowered Communities reform policy, principles and social norms.



Figure 2.1: Governance structure



Opt-in organisations

Opting in is a central principle. Opt-in organisations will retain their independence and can continue to pursue their local or organisational priorities, but opting in means signing up to and abiding by the Empowered Communities reform policy, principles and social norms.

All opt-in organisations will be part of the Cape York Empowered Communities Alliance. They will be required to 'walk the talk'. Failure to align service delivery with the reform policy and principles could trigger action or review by the Indigenous Policy Productivity Council. Poor governance or corrupt activities will prohibit an organisation from opting in.



Lillian Bowen, a teacher with the Cape York Aboriginal Australian Academy, with a student.

Cape York Partnership

Opt-in organisations could be given incentives through the Empowered Communities funding arrangements. These arrangements should provide:

- greater long-term funding certainty, enabling opt-in organisations to pursue their strategic agenda
- performance incentives that align with achieving the social norms and reform policy and principles.

Cultural authority is embedded in opt-in organisations and the way they do their business. We will start with invitations to opt in to key leadership organisations in Cape York Welfare Reform communities, as these communities have already demonstrated a commitment to leading reform.



Backbone organisation

The Cape York Partnership will be the backbone organisation. It has a strong track record in leading a reform agenda. Through the Empowered Communities engagement and governance processes, the Cape York Partnership will build on what has worked well, and strengthen the relationship, trust and collaboration at local and regional levels. The backbone organisation will:

- play a facilitation and coordination role, and perform the legwork for implementing Empowered Communities in the region
- provide an operational home for Empowered Communities, including secretariat support
- coordinate planning and articulate a common Indigenous vision across the region, noting that different places will have different priorities and will implement the reforms differently
- convene regional negotiation tables
- marshal other opt-in organisations and play a key role in reporting on and monitoring progress across the opt-in organisations and the region
- report to and be guided by the Cape York Empowered Communities Alliance and a regional steering committee
- use Cape York summits, which are being reinvigorated by the Cape York Partnership, as key annual Indigenous leadership events that generate ideas and guide the development of the regional policy and strategic directions, and allow for broad reporting back on initiatives and outcomes.

Regional steering committee

Given the number of Cape York leadership organisations, and depending on the enthusiasm across Cape York for opting in to the Empowered Communities reforms, it is likely that a regional steering committee will be required. This committee would:

- provide a manageable number of representatives (say no more than 12) who are selected or elected by the opt-in organisations
- have two co-chairs, who rotate among the opt-in organisations' representatives
- meet quarterly, supported by the secretariat from the backbone organisation
- provide a sounding board and first point of advice before things are taken to the broader Cape York Empowered Communities Alliance
- provide strategic direction, guided by a common vision and shared regional strategy
- decide when there is a need for a negotiation table and convene it
- monitor the opt-in process and decide whether new organisations can opt in (by applying agreed criteria)
- help to oversee alignment of activity in the region with the reform policy and principles, facilitate a step-through process if an existing opt-in organisation is breaching opt-in criteria, and facilitate action to uphold the reform policy and principles by opt-in organisations and other stakeholders, including escalation to the Indigenous Policy Productivity Council if necessary
- coordinate independent advisers as required.

Negotiation tables

Negotiation tables will provide a governance mechanism that periodically brings together the Indigenous-led Cape York Empowered Communities Alliance with senior government decision-makers from the Department of the Prime Minister and Cabinet, the Department of the Premier and Cabinet and local government. Tables may be convened for subject-specific or place-specific purposes, and they will bring together all decision-makers relevant to the agenda.

Tables will involve selected representatives of the opt-in organisations who are seen to be strong negotiators, according to the agenda of the table to be convened.

- The negotiation tables will finalise agreements, including binding regional development agreements, agreements to devolve responsibility and agreements on delivery plans to coordinate activities.
- The tables will provide a key mechanism to progress the regional agenda and check on delivery plans, outcomes and targets.
- Specialists and experts can be invited as needed (for example, police, non-Aboriginal NGOs).
- The tables will provide a first step in resolving issues arising from breaches of the reform policy and principles by any organisation external to the Cape York Empowered Communities Alliance.
- The Indigenous Policy Productivity Council may have a role at the table, helping to hold all parties to account.

Devolution of areas of responsibility

We want to end passive, government-defined service delivery. We want to empower Indigenous leadership of policy and program design and delivery. In some cases, this means we want to devolve responsibility for administrative functions or public services to Indigenous organisations that have the capacity, or can demonstrate they can develop the capacity, to deliver in this area.

The backbone organisation, through the Cape York Empowered Communities Alliance and the negotiation tables, could assist in or lead the negotiation of agreements to devolve administrative functions and public services to opt-in Indigenous organisations.

Before any such decision is made through the negotiation table, the Cape York Empowered Communities Alliance must meet the following threshold criteria:

- show that the current service delivery arrangements are not well aligned to the reform policy and principles
- show that the proposed devolution is supported by the legitimate Indigenous leadership of the place or the sector concerned.

Such devolution agreements could include long-term funding agreements to support the arrangements (for example, in Canada some such agreements are for 20-year periods) with untied capital sums payable according to an agreed schedule, which may build in minimum service standards but afford the Indigenous leadership wide latitude about how they are to be achieved.



Central Coast, New South Wales

Context

Since 2012, seven Aboriginal service organisations on the Central Coast of New South Wales have been sharing and collaborating through the Jawun program. Jawun creates corporate–Indigenous partnerships to improve the lives of Indigenous people around Australia by supporting Indigenous communities on the ground. While these seven Aboriginal organisations provide invaluable services to their communities for all life stages and have enjoyed success, change is required to meet growing demand and address the disadvantage of the Aboriginal and Torres Strait Islander⁶ community members of the Central Coast. The Prime Minister’s 2014 Closing the Gap report notes that we are still failing to meet too many of our objectives.

The growth rate of the Aboriginal community on the Central Coast—an increase of 40 per cent between 2006 and 2011, according to the 2011 Census—is outpacing that of the general population, while at the same time government funding for provision of services to this community is being reduced. We are now acknowledged as the fastest growing Aboriginal community in the country, with a current population of around 13,000. However, the government’s focus is tilted towards more remote communities and larger cities. These factors combined mean that the Aboriginal communities of the Central Coast are not receiving critically needed services.



Smoking ceremony at Barang signing, held at NAISDA Dance College.

BillyB Photography

6 Hereafter referred to collectively as ‘Aboriginal’.

Through the Empowered Communities initiative, we can close the gaps and provide the services that our community members so desperately need. In the Central Coast region, we will establish a backbone organisation called Barang, meaning ‘tomorrow’ in Darkinyung language, which will speak with one unified voice to government and other key stakeholders to empower our people and lead community prosperity. Barang will form a critical component of the Empowering Communities agenda on the Central Coast.

The Barang Compact, which commits our Central Coast Aboriginal community to cooperative action, was signed by the seven founding Aboriginal organisations on 8 September 2014. This backbone organisation will be funded initially by the Department of the Prime Minister and Cabinet, with the expectation of self-sufficiency in the medium term.

In collaboration with its members, Barang will develop and execute key initiatives that will improve the lives of Aboriginal people on the Central Coast and achieve the Closing the Gap targets that have been so elusive. Barang will contribute to the retention of Aboriginal culture, create a stronger community network, develop local Indigenous leadership and optimise investments in the Aboriginal community. Barang will unite, with one voice, to create empowered Aboriginal communities on the Central Coast, hence our vision of ‘Empowering Aboriginal people through a unified voice’.

Our history

The Central Coast of New South Wales is home to one of Australia’s largest nations of First Peoples. It is bounded by the Hawkesbury River in the south, the Watagan Mountains in the west and the southern end of Lake Macquarie in the north. The region is abundant with natural beauty and magnificent mountain ranges. It is the home of the Darkinyung people.

With occupation dating back 20,000 years, it is estimated that 5,000 people lived in Darkinyung country in around 100 to 200 local groups or family bands. Each group was responsible for looking after their own territory and sacred sites. Darkinyung country was also traversed by other First Peoples for meetings, ceremony and trade, such as the nations of the Dharug and Kamilaroi, the Garingai and Awabakal. The National Parks and Wildlife Service has identified more than 7,000 Aboriginal sites, containing more than 200 features and symbols.

Kevin (Gavi) Duncan, an Aboriginal cultural educator and board member of the Darkinyung Local Aboriginal Land Council, recently observed:



A lot of these ridgeways carry all of the evidence [of Darkinyung culture] through rock carvings and rock paintings and the scattering of middens throughout our lands. It would have been a naturally beautiful area to live permanently.

The region first entered European history books on 7 May 1770, when James Cook noted in his journal that the *Endeavour*, having sailed north from Botany Bay, had passed ‘some pretty high land which projected out in three bluff points and occasioned my calling it Cape Three Points’. These points, now called Bulbararing, Mourawaring and Bombi, are within the Bouddi National Park. Although the barriers of these cliffs prevented Cook from seeing the magnificence of what lay just beyond the angophoras and cycads, the Darkinyung people, who no doubt tracked Cook’s progress, had known of the beauty and abundance of this place for thousands of years, had moved through it, taken from it and tended it.

Current challenges

While our Aboriginal community organisations and centres provide invaluable services, change is required to meet growing demand and address the disadvantage of the Aboriginal versus non-Aboriginal community members of the Central Coast. Furthermore, if we want to innovate, educate and grow our community sustainably, we are faced with very real challenges.

Our organisations do not have adequate resources to facilitate restoration of our culture and heritage. Our Central Coast region does not receive the attention necessary to enhance the lives of its communities. Our centres expend significant resources on administration, detracting from service provision to our community. Our organisations do not have the same ability to influence government outcomes as our higher-profile neighbouring metropolitan regions

of Sydney and Newcastle. Our centres cannot meet the growing demand for assistance for employment and education. Our organisations are operating at varying levels of capability and maturity, and we need to develop best practice capabilities to be sustainable. And, finally, the health and wellbeing gaps between Aboriginal and non-Aboriginal communities are unacceptably large.

Statistical snapshot

- Our Year 3 children are less likely to read well (gap is 25%).
- Our Indigenous children are less likely to complete high school (12% gap).
- Sixteen of our community members in every 100 are actively seeking full-time or part-time work versus six out of 100 for non-Indigenous community members (10% gap).
- Our Indigenous community members have a lower life expectancy than non-Indigenous community members (nine-year gap).
- Our Indigenous community members are 60% more likely to be or become obese.
- Almost one in every two of our community's households suffers from rental stress (where rental outgo exceeds 30% of income).
- Eighteen in every 100 young women in our community are likely to have a baby during their teens (16% gap).

Sources: NAPLAN 2012; 2011 Census.

One voice for tomorrow

The Central Coast region boasts a diverse Aboriginal community that is entering into an exciting era of advancement as a result of strong leadership and a strong economic base. The collaborative efforts under the Empowered Communities initiative on the Central Coast will address the gaps in Indigenous disadvantage. The Empowered Communities model will provide a framework for our organisations to have ownership of and leadership in community decision-making on all levels.

Barang, meaning 'tomorrow' in Darkinyung language, will be our backbone organisation on the Central Coast. Barang will initially be funded by the Department of the Prime Minister and Cabinet and will have a board made up of directors from its member organisations.



Barang members at Barang signing.

SillyB Photography

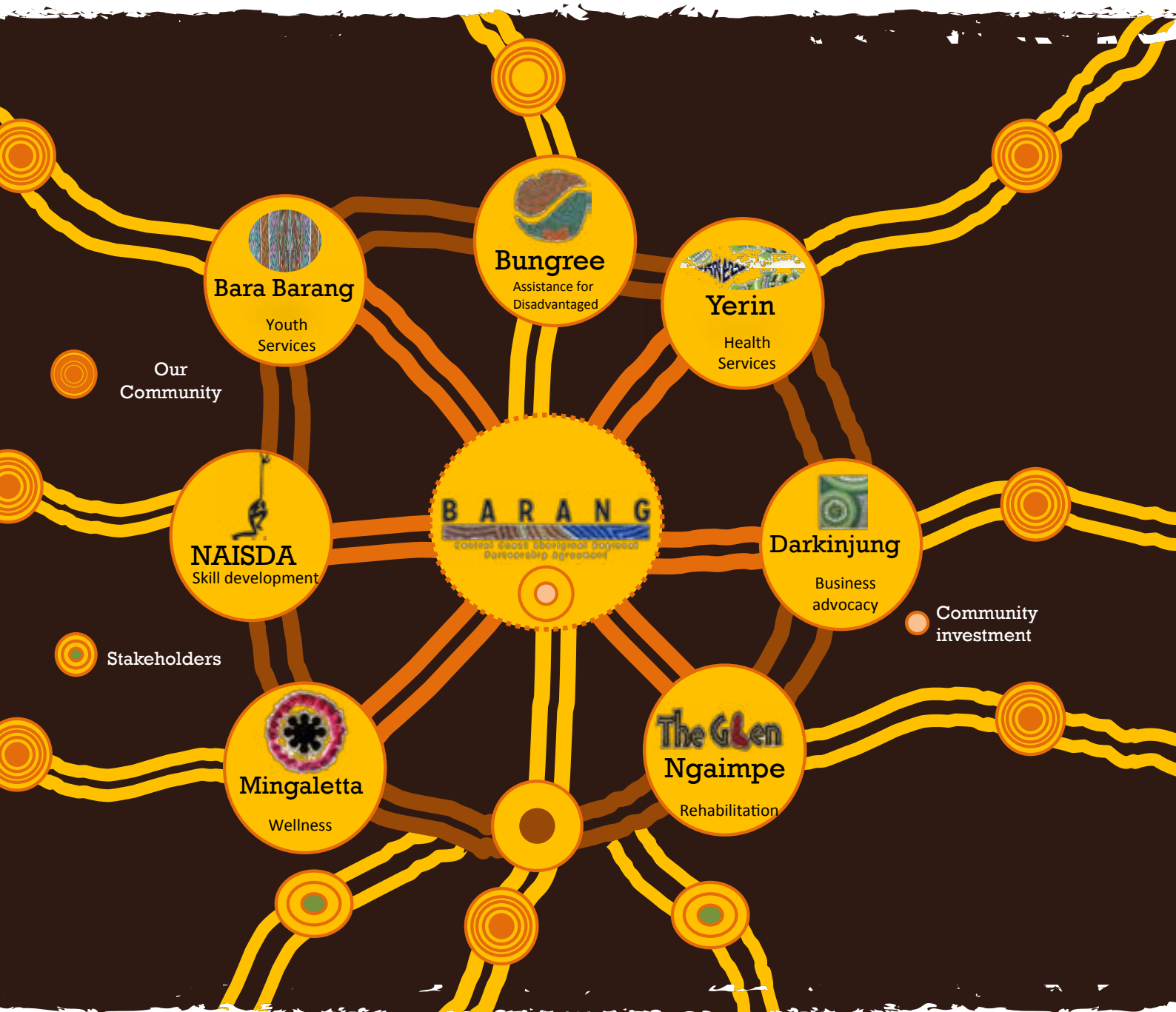


Key priorities

Barang's key priorities, roles and functions will include:

- interfacing with external stakeholders (federal, state and local governments, not-for-profits, etc.)
- monitoring and filtering grant and funding opportunities and providing that information to members
- setting and monitoring the community agenda and communications
- being a centre of excellence for corporate governance and other relevant areas
- providing shared services to its members.

Figure 2.2: Barang governance model



Opt-in criteria

Barang and its member organisations signed a cooperation and joint action compact on 8 September 2014 (the Barang Compact), which includes the following opt-in criteria:

- Aboriginal-led responsibility is at the heart of our principles on Indigenous reform. It is non-negotiable and assumed in all the principles listed below.
- Community and government programs must support Aboriginal responsibility.
- Participation in our reform movement is on an opt-in basis for those eager to shape their own destinies.
- Program design must be site-specific to allow for our different laws, cultures, governance structures and ways of making things happen.
- Innovation in program design is critical and will always be encouraged. While mistakes are acceptable, we will apply what we learn each time to continually improve.
- Funding for programs must be based on outcomes, with communities given the flexibility to innovate and do things better and incentives used to change behaviours.
- Program outcomes must always be measured in the same way every time so we can improve how they are designed and put in place to make them more efficient and effective.
- We will actively seek to learn from each other and from others in the business and not-for-profit sectors. We will share good practices and make sure results are delivered.



NAISDA dancers at Barang signing, held at NAISDA Dance College.

Regional strategy

Barang will execute a regional strategy that is aligned with Empowered Communities and NSW Local Decision Making and which will enable us to achieve our regional priorities and alignment with the Empowered Communities social norms. Our regional priorities are:

- Children go to school, every day.
- Children and those who are vulnerable are cared for and safe.
- Elders in our community are respected and cared for.
- Capable adults participate in training or work.
- Housing is affordable and safe and property is respected and cared for.
- People in our communities are healthy and have access to quality health care.
- Our young people's aspirations are supported.

Barang members had already begun collaborating to advance their goals before signing the cooperation compact. For example, Barang is working with the NSW Government to advance its Local Decision Making initiative. This initiative complements Empowered Communities and is another example of how, working together, our Aboriginal community can better achieve its goals. Hence, our vision:

Empowering Aboriginal people through a unified voice

Key outcomes

Achieving our goals through Barang will create an empowered Central Coast Aboriginal community. We will develop stronger local Aboriginal leadership and optimise investments in our community. Through more direct funding models we will generate more effective and efficient use of government funding. Our programs will be matched to the needs of our growing community. We will retain our cultural heritage for future generations and the wider community. And we will create stronger relationships from utilising our community network and partners, sharing knowledge and innovating.

Working together with governments, with our community, with all stakeholders, with one voice, we will create a strong, empowered future that will generate economic prosperity for all community members.



Bronwyn Chambers, Resident Elder, Ourimbah Campus of University of Newcastle, and Sean Gordon, CEO, Darkinjung Local Aboriginal Land Council, at Barang signing.

East Kimberley

Context

Swimming the river—our metaphor for the challenge

For most of the past 70,000 years, Aboriginal people have been crossing a harsh and unrelenting desert—and not only have we survived, we have prospered. The key to our survival was a close-knit community where we cared about each other's wellbeing and where everyone contributed to the survival of our community.

A couple of hundred years ago, the first settlers arrived and in place of the desert was a river—new barriers to survival that we needed to navigate. Now we had to learn to swim that river, and the way to learn to do that was through schools, education and training.

Unfortunately, in the East Kimberley we estimate that only 40 per cent of our families have learned to adapt to this new world and walk alongside their kids all the way to the river bank and teach them how to swim across to the new world.

The other 60 per cent of families don't understand the importance of parents walking alongside their children, and by the time they leave school they haven't acquired the skills to swim the river. This river is dangerous. There is a strong current called welfare and those without the skills or motivation to cross the river get swept by the current towards two big crocodiles—drugs and alcohol.

Some of the people who have ended up in the jaws of the crocodiles have gone on to become parents. In turn, many of them have not walked alongside their children to the river bank and so the cycle passes from one generation to the next. In some families, this cycle has been going on for at least four generations.

The by-products of this tragedy for many families in the East Kimberley who have been swept down the river are poor health and living conditions, homelessness and domestic violence, mental illness, foetal alcohol spectrum disorder in children, and suicide. Many of them have lost their language and culture and ended up in prison.

Statistical snapshot

A bleak picture is painted by the 2011 Census data:

- A young population—55% of the East Kimberley population is under 25, compared with 34% of the total WA population.
- Lack of education—17% of the East Kimberley Aboriginal population has completed Year 12, compared to 54% of the East Kimberley non-Aboriginal population.
- Low employment—26% of East Kimberley Aboriginal adults are in 'real' (non-CDEP) jobs, compared to 87% of East Kimberley non-Aboriginal adults.
- Poor housing—79% of East Kimberley Aboriginal households live in public or community housing, compared to 14% of East Kimberley non-Aboriginal households.
- Overcrowding—14% of East Kimberley Aboriginal households have eight or more occupants. There are no East Kimberley non-Aboriginal households that have this many people.

The difference between the families who have learned to swim the river and those who have not is a result of three things:

- access to opportunities in education, housing and employment
- the ability to access those opportunities
- a sufficient level of responsibility to bring these two things together.

In the East Kimberley there are plenty of opportunities and our people have a lot of ability. The thing that is missing is individual and family responsibility. This is the thing that, if restored, can help us move forward and help us rebuild our culture.

More than 300 services provided by government and non-government organisations support Indigenous communities in the East Kimberley. But despite good intentions, this is not working to close the gap between Indigenous and non-Indigenous outcomes.

Why have we not broken the cycle of dysfunction?

We have low expectations of our Indigenous families. There is an attitude that these people do not have the ability to swim the river. As a result, a lot of money goes into pulling people out of the mouths of crocodiles rather than ensuring that they can swim the river.

In addition, the effect of the assimilation policy has left a ripple of intergenerational trauma, which has resulted in crisis-driven responses. These responses have been under-resourced and ineffective while reinforcing Aboriginal disempowerment and welfare dependency.

Despite best efforts, the status quo of Aboriginal disadvantage is likely to continue if we don't establish a real commitment to change and implement a grassroots approach that focuses on individual and family responsibility and Aboriginal leadership.

People know that the solutions require some tough decisions in areas such as welfare reform and holding parents responsible for their children's welfare.

The bottom line is that without these tough decisions nothing will change.



Shane Phillips, CEO, Tribal Warrior Association (left) and Ian Trust, Chairman and Executive Director, Wunan, East Kimberley.

Louise Law, Create Evoke Photography



Our vision

Our vision for the East Kimberley is of a region with a sizeable Aboriginal population consisting of high-functioning families who own their own homes, who have well-educated children, who participate equally in the economy and who value their culture. Aboriginal leadership and responsibility will be the key to success in reaching this vision.

Fundamental to achieving this vision will be embedding the five social norms of the Empowered Communities model in individuals, families and communities (see Figure 2.3).

Figure 2.3: The five social norms in the East Kimberley



The Empowered Communities initiative will be the platform to achieve those five social norms, through a welfare reform package that promotes:

- *sustainability*—continuing to support programs that work
- *collaboration*—ensuring holistic service provision for individuals, families and the community
- *Aboriginal-led responsibility*—leadership within the family unit and grassroots decision-making on what works for the region.

The Empowered Communities governance process will empower Aboriginal leaders to develop innovative solutions for current problems by:

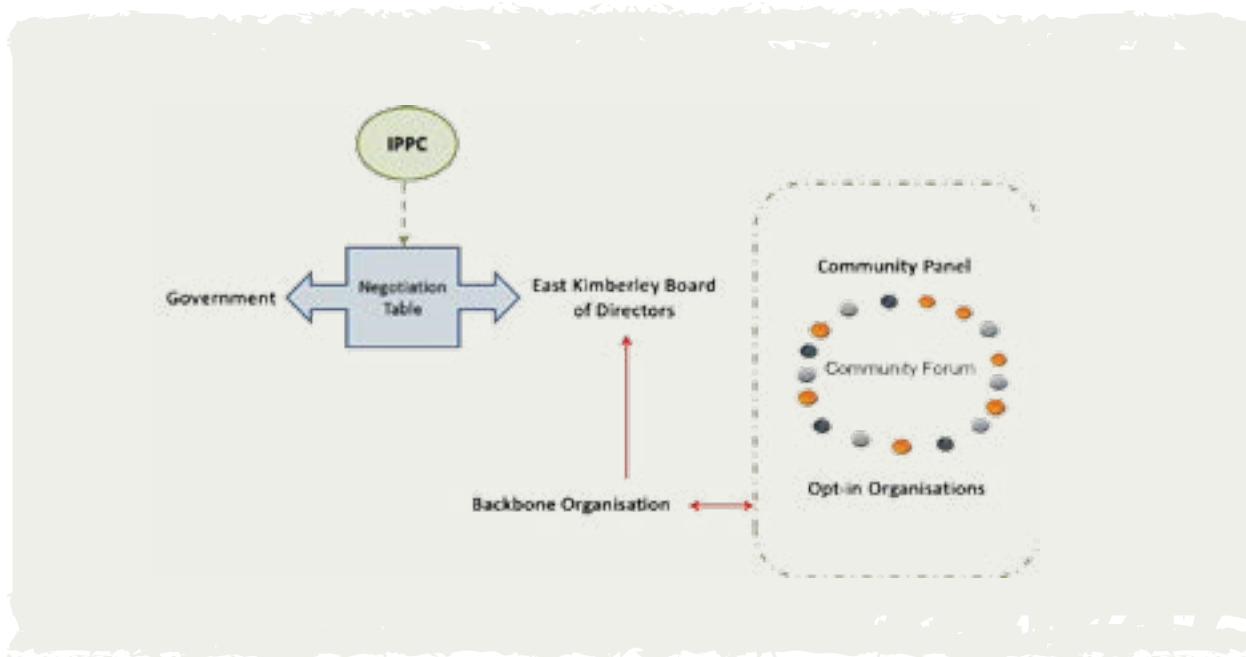
- encouraging local ownership of Empowered Communities as a forum for open and honest conversations and collaboration between communities, organisations, leaders and government
- empowering individuals, families, leaders and elders to create a unified voice that clearly articulates the need to restore social norms and Aboriginal culture in the East Kimberley
- rebuilding and supporting Aboriginal families
- strengthening Aboriginal culture, instilling a sense of pride and respect for Aboriginal culture, and establishing a firm foundation to enable Aboriginal people to walk in both worlds.

Aboriginal leadership and responsibility will be the key to success in reaching this vision.

Governance structure

Under the proposed Empowered Communities governance structure in the East Kimberley, the key decision-making body will be a specially formed board of Indigenous leaders. The board will be responsible for setting the strategic direction of Empowered Communities in the region and will be the interface with government in the region on service delivery and pooled funding decisions.

Figure 2.4: Governance structure



The board will be supported in its role by a ‘backbone organisation’, which will perform a secretariat function and be charged with developing and implementing policies and programs to deliver on the board’s strategy.

Although the board will make independent decisions on matters such as regional priorities and allocation of funding in the region, it will be required to engage with the community through a community forum for each local geographical area. These forums will also be the platform through which the board can foster collaboration and Aboriginal-led responsibility at a grassroots level.

The members of each community forum will be:

- a community panel of local Indigenous leaders, who will also be responsible for having conversations with the community about the effectiveness of Empowered Communities
- local ‘opt-in organisations’ — service providers that have agreed to collaborative service delivery under Empowered Communities.

The Indigenous Policy Productivity Council could be an independent arbiter in the event of disputes.

The precise legal structure within which the board, the backbone organisation, the opt-in organisations and the community panel will operate is still to be finalised. However, we have a clear vision of each of their roles. These are described in further detail below.

Board

Responsibilities

The East Kimberley Empowered Communities Board will be responsible for:

- setting the strategic direction of Empowered Communities in the region
- developing processes to ensure transparency to the community, government and other stakeholders
- engaging with government on Empowered Communities funding decisions in the East Kimberley, including by:
 - » establishing a service tender process for funding
 - » making decisions on preferred service providers
 - » monitoring and reviewing the financial and regulatory performance of the backbone organisation and opt-in organisations.

Composition

The board will comprise seven directors, including local Indigenous leaders and one to two (Indigenous or non-Indigenous) independent directors. Composition of the board will not be representative of specific community groups or service providers.

The initial board will be selected by an independent start-up panel, using objective criteria to ensure an appropriate balance of skills, experience and commitment to Empowered Communities reform. In particular, board members will be required to:

- have experience in strategic planning and decision-making at a senior level
- have appropriate experience in finance and management
- be philosophically aligned with (and 'walk the talk' of) the five social norms promoted by Empowered Communities in the East Kimberley.

Board members will be appointed on rotating two- or three-year cycles.



Natasha Short, Programs and Partnerships Manager, Wunan, and Ian Trust, Chairman and Executive Director, Wunan.

Decision-making process

Although the board will be ultimately responsible for determining the strategic direction for Empowered Communities in the East Kimberley, it will be constitutionally required to seek grassroots input through community forums to ensure there is a single vision for Empowered Communities in the East Kimberley.

The backbone organisation will convene a community forum in each local geographical area (as determined by the board), which will be tasked to identify:

- model initiatives that are delivering real (long-term) results in the local area
- those model initiatives that require longer-term support to show objectively measurable results
- gaps in service provision and opportunities for growth and development.

The backbone organisation, together with the community forum, will then distill those ideas to develop themes for local area priorities and potential initiatives that have objectively measurable medium- to long-term results.

The output of the work from each local area will guide the board's determination of regional priorities for the East Kimberley.

Backbone organisation

In addition to its role in working with community forums, the board will delegate authority to the backbone organisation to have a broader role in:

- developing and implementing Empowered Communities policy
- administering back-office functions, including preparation of budgets and financial reports for the board's approval
- measuring and evaluating the delivery of services and reporting to the board on its findings.

The initial backbone organisation will be staffed by a discrete team sitting within the Wunan Foundation.

Opt-in organisations

Service providers in the East Kimberley may opt in to Empowered Communities through a memorandum of understanding with the board, the backbone organisation and other opt-in organisations.

That document will set out the criteria under which those organisations may be able to participate in pooled funding arrangements under Empowered Communities, including:

- 'walking the talk'—having a history of achieving positive change in the region in one or more of the five social norms and a board that abides by those norms
- standards of corporate governance in line with industry standards for not-for-profit organisations
- delivery of services in line with standards legislated by the board
- collaboration with other service providers to ensure continuity of service delivery in the region
- continuous reporting on their service delivery and financial position and agreement to evaluation by the backbone organisation
- agreement to abide by a mandated dispute resolution process.

Any organisations that don't continue to satisfy these criteria will no longer be eligible to participate in Empowered Communities.

Community panel

Each local geographical area in the East Kimberley will have a community panel, the purpose of which will be to reinforce the agenda of self-responsibility that underpins Empowered Communities and to facilitate conversations with individuals and families in the community.

Each community panel will work with opt-in organisations to ensure that services are delivering on the five social norms. If required, the community panel will provide feedback and advice on service delivery in the region to the backbone organisation and the board.



Goulburn-Murray

Our current situation

The Aboriginal community in the Goulburn-Murray has proven that building aspiration and optimism can deliver improved outcomes. In the Goulburn-Murray we have been unwavering in our desire to make radical changes to address the extreme disadvantage suffered by Aboriginal people. Community-driven organisations—such as the Yorta Yorta Nation Aboriginal Corporation, Njernda Aboriginal Corporation, Rumbalara Aboriginal Cooperative, Ganbina and the Rumbalara Football and Netball Club—have begun to change the outcomes for Aboriginal people in key areas. This progress has been achieved by building a sense of aspiration and optimism that it is possible to participate in a world where rights are acknowledged and Aboriginal people prosper. Table 2.1 outlines the progress to date towards realisation of our aspirations in five key areas.

Ownership and responsibility for our aspirations is owned and shared.

Table 2.1: Realising our aspirations

	Building aspiration and optimism	Evidence of impact
Education	Challenging mainstream institutional cultures, including their relevance and applicability, and the poor history of education and training among Aboriginal young people; encouraging them to rise to expectations	45% of Aboriginal people aged 15–24 engaged with education in 2011, up from 40% in 2006
Employment	Accessing more than 1,000 work placements for capable Aboriginal jobseekers with private sector partners	17% increase between 2006 and 2011 in Aboriginal people aged over 15 employed, compared to 5% increase for non-Aboriginal people
Justice	Developing partnerships and social justice ownership that focus on initiatives to increase community engagement, and that will also provide credibility and authority	0.2 to 0.3 alleged Indigenous offences per person, compared to 2.25 in Melbourne
Health	Addressing emotional and social wellbeing through providing high-quality, culturally appropriate, community-controlled services and role models for strong positive social norms	78% access to maternal and child health services for 0- to 3-year-old Aboriginal children in 2012–13, up from 68% in 2009–10
Social inclusion and culture	Raising the value of Aboriginal knowledge and expertise in modern economies, driving environmental, social and economic benefits for the whole community	90% feel good about being Aboriginal 'often or very often'

Sources: 2006 and 2011 censuses.



However, the lack of a collaborative, collective vision and cohesive strategy has limited progress on the most complex issues. Because of their complex nature, these challenges can only be truly overcome with a holistic, coordinated and long-term effort involving an agreed partnership between government, community, industry and the service delivery sector. Currently, Aboriginal people in the Goulburn-Murray don't feel we have collective ownership of our society or the power to change it. Governments, service delivery organisations and the private sector operate in narrowly defined silos focused on crisis intervention, rather than working collaboratively towards a collective vision for Goulburn-Murray where Aboriginal people are strong and valued in our leadership of the community. While there is significant expenditure on service delivery, there is limited monitoring, evaluation and reporting of the outcomes and no sense of progress towards an agreed objective.



Uncle Col Walker at Empowered Communities retreat.

Paul Briggs

Over more than two decades, the community has built the capacity to design and implement an effective community governance structure. The community has gradually rebalanced its relationship with government, including through the native title claim, the joint management agreement with the Victorian Government and cultural heritage legislation. Successive efforts at establishing a representative community structure have drawn on the lessons from previous attempts, building community capacity and leadership each time.

A significant milestone was the Council of Australian Governments (COAG) trial in Shepparton and Mooroopna, which began in 2003 and laid the foundation for collaboration between community, governments and industry. Following the COAG trial, the Kaiela Planning Council undertook extensive research, planning and community consultation to develop a draft vision and a framework for benchmarking and tracking progress against priority areas.

The key challenges for us now are to align the efforts of our community-driven organisations under a common vision, secure a long-term funding agreement to support a community governance structure for Aboriginal people in the region, and gain a commitment from government and service delivery organisations to provide data on Aboriginal access to services and outcomes to allow honest monitoring of progress and accountability.

Our vision

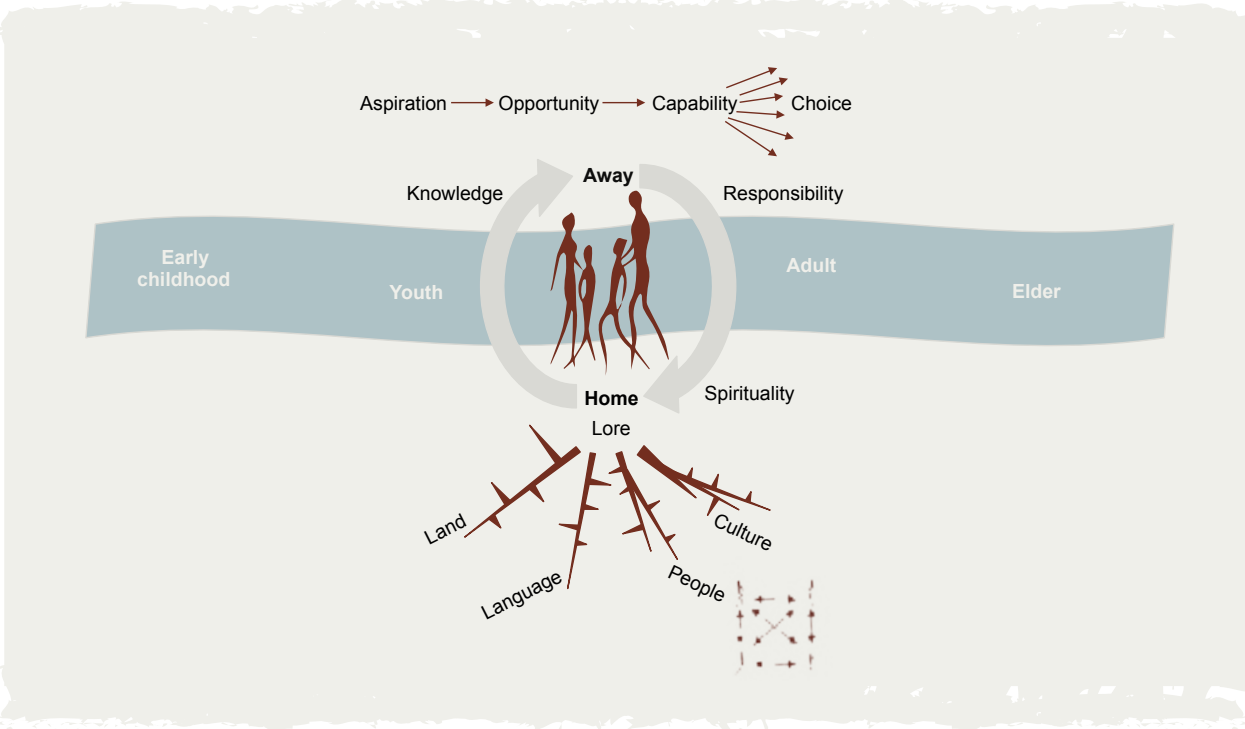
We believe Aboriginal people in the Goulburn-Murray will thrive in an integrated community where we can access the best of both worlds. This means that Aboriginal people have strong roots in traditional lore relating to land, language, people and culture (the 'home' world), as well as having the aspiration, opportunity and capability to access a wide range of choices in broader society (the 'away' world). The challenge is finding the pathway that ensures our people have the same life choices as others in the wider community without giving up our Aboriginal heritage. We want to feel that we are part of and share in the symbols of national, state and regional identity; but also that we draw a sense of identity from the Aboriginal community. In this world, everyone would acknowledge and value Aboriginal history, culture, language and events. This vision is illustrated in Figure 2.5.

Our vision for walking in the 'away' world is that we are aspirational and pursue opportunity and capability so we can exercise choice. This means setting and achieving ambitious goals for our personal and collective future. In education, we want to see high educational achievement (Year 12 and university) leading into continuing, lifelong learning. In employment, our young people and adults will be fully engaged in the free market, with people respected in their fields, owning their own businesses, and making full use of Indigenous knowledge and best practice.



At the same time, our people will have strong roots in the ‘home’ world, including traditional lore relating to land, language, people and culture. We will be confident, proud and strong in our identity and history. We will maintain connections to our traditional country and be able to use and maintain the land in contemporary cultural ways. Language will be a vibrant, valued part of our lives. People and institutions will protect, preserve and pass on cultural heritage including customs, lore and stories. Recognising that our community is at the centre of our world, we will also have strong connections to the people within our community, respecting and valuing our elders and families. Our young people, parents and elders will communicate openly with each other and know their role in the community (represented by the small diagram at the bottom right of Figure 2.5).

Figure 2.5: Our vision—Aboriginal people on Yorta Yorta land walking proudly in two worlds



The five principles in the Goulburn-Murray

Our approach to delivering the five agreed principles under the Empowered Communities initiative⁷ recognises that many of the barriers to individual responsibility relate to low aspiration, limited opportunities and skills, and low self-esteem. A key part of our vision is the creation of an integrated community in Goulburn-Murray where Aboriginal people’s rights are identified and supported and our contribution is valued and celebrated. The five agreed principles have been adapted to reflect the aspirations of the Aboriginal community in Goulburn-Murray:

- We have a safe community and safe homes, and we take responsibility for the wellbeing and developmental needs of our kids.
- Our children have a 90 per cent attendance rate at school from early childhood through to completion of secondary school.
- Of those who are able, we have a 90 per cent participation rate in career opportunities in industries in the Goulburn-Murray.
- People have safe and affordable housing, aspire to owning their own houses, welcome others into their homes, and take pride in where they live.
- Strong leadership and affirmative role modelling are valued and respected within and across the Aboriginal and broader Goulburn-Murray communities.

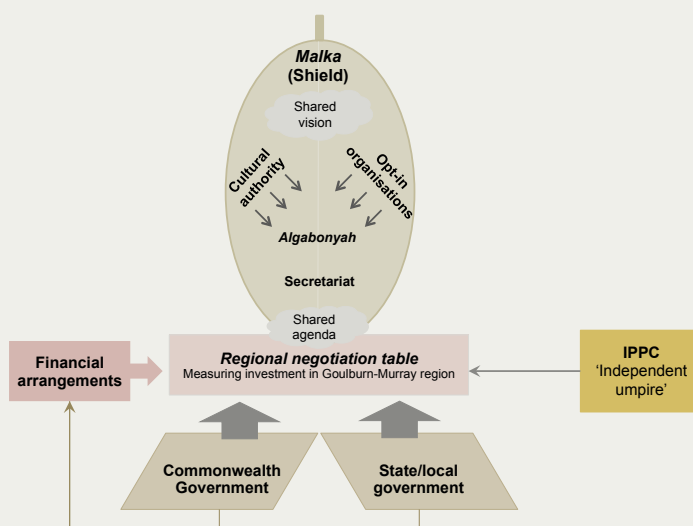
⁷ We use ‘principles’ rather than ‘norms’ in the Goulburn-Murray region.

Governance structure – Empowered Communities in our region

A robust governance structure will provide the mechanisms to develop strategic approaches to address issues and needs in the community. This will lead to an increase in our negotiating power with government and industry to achieve the outcomes we want, and an increased ability to track and measure progress towards achieving those outcomes.

The *Malka* ('shield') structure in Figure 2.6 represents a safe, collaborative place where community representatives, service delivery organisations and the cultural authority come together to progress Aboriginal futures on Yorta Yorta land. *Malka* also symbolises the protection of Aboriginal heritage, while at the same time acknowledging the need to negotiate the terms of engagement with non-Aboriginal society. The *Malka* agreement has four components, as shown in Figure 2.6 and discussed in more detail below.

Figure 2.6: The *Malka* governance structure



Algabonyah (Goulburn-Murray Community Cabinet)

The *Algabonyah* ('meeting place') will be the primary decision-making body on regional priorities and the development of regional partnerships and agreements. Its role will be to advocate and negotiate for strong action on behalf of the region with a collective voice. It will put forward a strong vision for the future, using aspirational, affirming language and local terminology. Initially, it will comprise the chairs of the opt-in organisations and the representatives of the Yorta Yorta Nations Elders Council, as well as additional skills-based appointments for legal, economic and finance, governance and research skills, and any additional appointments to ensure community representation for women, young people and elders. These members will act in the interests of the community as a whole, rather than the interests of individual organisations or families. The *Algabonyah* will engage and communicate directly with its membership to ensure legitimacy and authority, including through regular open community forums.

The *Algabonyah* will be responsible for long-term, strategic planning in key priority areas (to be known as the *marree dungudja* – 'spears'). Commissioners for each of the priority areas will be appointed from the membership of the *Algabonyah* to build relationships with service delivery organisations and government, facilitate strategic planning, talk to the community about issues, and lead the collection and analysis of data. With the support of the secretariat, the *Algabonyah* will evaluate and report on progress against strategic plans and targets to keep Aboriginal and mainstream service delivery organisations accountable. The *Algabonyah* will not deliver services or distribute service delivery grants, but will be the broker on resource allocation by government in the region.

Secretariat—Kaiela Institute (interim)

The secretariat will support and report to the *Algabonyah* to assist it to carry out its functions. It will be responsible for logistics, administration and preparation of meeting papers for *Algabonyah* meetings. It will also undertake data collection and analysis as required, supporting the appointed commissioners for each of the priority areas. The Kaiela Institute will continue as the interim secretariat until July 2016, when this arrangement will be reviewed.

Cultural authority—Yorta Yorta Nations Elders Council

The role of the cultural authority will be to ensure that the integrity of Yorta Yorta Nations is respected and maintained in everything that happens within the *Malka* structure, including the services provided by mainstream organisations and government. Acknowledging the importance of respected elders in our community, this role will be filled by the Yorta Yorta Nations Elders Council.

Rather than having an executive or management role, the cultural authority will provide guidance, oversight and advice to the *Algabonyah* and opt-in organisations in relation to cultural, language and land matters. The cultural authority will set cultural protocols that opt-in organisations must abide by and will be a strong advocate for standards to protect cultural heritage and build cultural competency in the broader community. It will be responsible for safeguarding lore, customs and traditional values, as well as leading the development of Aboriginal cultural learnings to strengthen our young people's values and sense of belonging. The cultural protocols will underpin how business is carried out.

Opt-in organisations

The opt-in organisations will be responsible for service delivery in line with the strategies and protocols agreed by the *Algabonyah*. They will sign up to a foundation agreement with each of the other parties, setting out their commitment to the shared vision and their mutual obligations. They will implement agreed cultural protocols and priority area strategic plans in their service delivery operations and engage their staff in implementing this agenda. They may provide resources to support the *Algabonyah* in their areas of expertise—for example, in the development of strategic plans for the priority areas.

The opt-in organisations will provide data to the *Algabonyah* on their progress against the outcomes and measures agreed through strategic plans. They will communicate openly, directly and regularly with the community about their activities, in a way that the whole community (including elders) can understand. Each opt-in organisation will also continue to be representative of and accountable to its members through its own governance structure.

Opt-in criteria

At a recent community meeting to discuss the potential governance structure, participants discussed the following three categories of criteria for organisations that wish to opt in to the model:

Honesty and transparency

Opt-in organisations will be open, fair and straight with each other and the community. They will regularly share data with the *Algabonyah* to enable tracking against regional priorities. This includes being transparent about the projects they are undertaking and their levels of funding. They will also communicate with the community about their objectives and progress, in a way that community members and elders can understand, using Aboriginal definitions and terms where possible.

Commitment to Empowered Communities governance processes

Opt-in organisations will commit appropriate resources and engage wholeheartedly in the new governance structure. Part of the role of their board chair will be to attend meetings of the *Algabonyah* and ensure that their organisations are aligned with the agreed vision and strategic direction. The boards of opt-in organisations should also be involved in monitoring progress against agreed priorities. Opt-in organisations will abide by an agreement to be developed with the other members of the *Algabonyah* and will reflect the Empowered Communities principles in their operational plans and organisational culture. They will also be required to commit to the principle of Aboriginal people controlling their own services—for example, by having a minimum percentage of Aboriginal board members or employees.

Respect for our culture and heritage

The opt-in organisations will recognise, respect and value the culture, heritage and language of the Yorta Yorta people and other Aboriginal and Torres Strait Islander peoples who reside in the Goulburn-Murray. This includes using culturally and socially sensitive practices and language and committing to cultural competency standards and tools. In line with traditional practices, the opt-in organisations will respect agreed behavioural norms, including adopting a respectful, collegial approach based on each organisation having an equal voice. The opt-in organisations will also sign up to a cultural protocol that demonstrates their alignment with cultural values.

The interim model

The first step in establishing the interim model will be to finalise the detail of the governance structure and funding and data collection arrangements. This will include defining the nature of the relationship between the components of the *Malka* and other key parties such as governments, service delivery organisations and state-wide Aboriginal policy bodies, as well as how the *Malka* represents and reports to the community it serves.

One of the lessons from previous efforts to create a community governance structure (in particular, the COAG trial) was that it takes significant time and effort to design an effective and representative structure and robust processes for decision-making and negotiation with government. For this reason, the *Malka* should be considered an interim body, with one of its key tasks being to build the planning and monitoring capacity within the community to support a representative structure that grows stronger over time.

A detailed, evidence-based review will be needed within the first 18 months of operation to assess achievements and lessons and, if needed, recommend changes to ensure that the *Malka*:

- represents and responds to the needs of the whole Aboriginal community
- undertakes strategic planning and evaluation work that is of high quality, independent and influential and holds service delivery organisations across the region to account
- is able to effectively collaborate and negotiate with other regional authorities, including mainstream organisations
- has a sustainable funding model that encourages joint ownership by the broader Goulburn-Murray region.

The *Algabonyah* is intended to be a body that serves, represents and advocates for the Aboriginal community on Yorta Yorta country. Over time, the *Algabonyah* will investigate options to enable more direct community representation, such as through elections. In the interim, the voice of the community will be represented on the *Algabonyah* through the elected chairs of the opt-in organisations.



Smoking ceremony.

Belinda Briggs



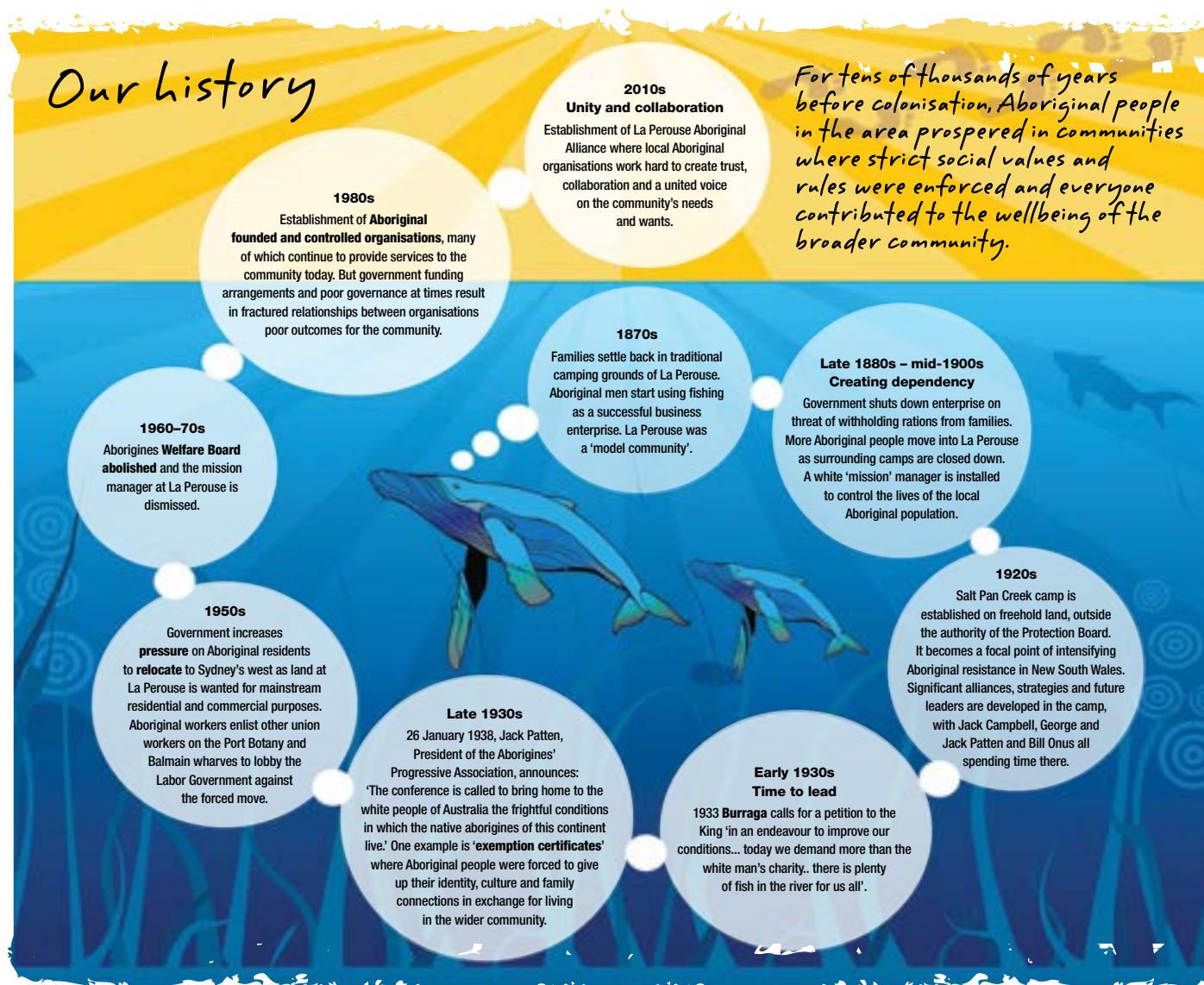
Inner Sydney

The Inner Sydney region comprises the two iconic communities of La Perouse and Redfern. They have chosen to come together through the Empowered Communities initiative to create a united voice to represent their communities. This chapter begins with a brief history of each community, which sets the context for their now united vision to come together to pursue new partnerships and ways of working with the broader community, stakeholders and government.

The history of La Perouse

Figure 2.7 illustrates the long history of the La Perouse Aboriginal community. The period before the invasion, when the coastal people of La Perouse flourished, is shown as light and bright. With the introduction of policies of protectionism, our people were pulled into the dark waters of dependence and strangled by the weeds of welfare. In recent times we have begun the process of rebuilding our own capabilities to take back responsibility and control of our future. This process is shown by the re-emergence from the water and the return to a position where we once again walk tall in the sun.

Figure 2.7: The history of La Perouse



The history of Redfern

For thousands of years before colonisation, we were bound by family, culture, structure and a continuous connection to the land we now know as Redfern. Since colonisation, many great Koori fighters have paved the way for us to follow...

THIS IS THE STORY OF REDFERN



1920s TO 1960s EARLY DAYS

Jobs at the Eveleigh Railway Workshop and factories on Botany Road, along with the opportunity for a better life free from the control of the Aborigines Protection Board, brought a stream of people migrating from Aboriginal reserves across New South Wales into Redfern.

Redfern became a flourishing urban Aboriginal community—a safe and tight-knit place, where commonplace discrimination was less felt.

In 1945, Bill Onus co-founded the Redfern All-Blacks Rugby League team, which became a community/political organisation throughout the 1950s and 1960s. The Redfern All-Blacks became the political power base of the legendary Redfern community organiser and activist Ken Brindle.

1960s TO 1990s ACTIVISM

Redfern is the birthplace of the urban Aboriginal civil rights movement in Australia. The establishment of Aboriginal founded and controlled services in the 1970s, such as the Aboriginal Medical Service, the Aboriginal Legal Service and the Aboriginal Housing Company, provided inspiration for self-determination for many Aboriginal communities nationwide.

1972: Redfern-based Aboriginal activists establish a protest camp, for justice and land rights, on the lawns of Parliament House in Canberra. This 'Aboriginal Tent Embassy' was a critical political action in the Aboriginal struggle.

1973: 'The Block' is established and attracts an international reputation as the bedrock of Aboriginal activism in Australia.

1978: Radio Redfern, housed at the Black Theatre (now Gadigal House) provides a voice for Aboriginal people in Redfern.

1992: Keating speech given at Redfern Park. 'Before that, Australians did not know what was going on in their own country. We shaped that speech!' —Redfern elder

1990s TO EARLY 2000s HARD YEARS

The beginning of a vicious cycle. Heroin takes hold in The Block. Redfern becomes synonymous with drugs, crime and violence.

Government policies have little effect; community rallies against government 'harm-minimisation' needle vans and short-term police crackdowns that it knows won't work.

Redfern reaches a low with images of the 2004 riots broadcast across the nation.

2004 THE TURNING POINT

Community leaders come together to say 'enough is enough'.

Leaders make brave decisions that they know will make change happen—they institute Family Days with zero tolerance for drugs, they partner with police and lobby the local council strongly for the introduction of alcohol-free zones. They own the change. They are proud of their community.

REDFERN TODAY

Still a hub for activism and innovation, Redfern is a safe and strong community.

Radio Redfern is now Koori Radio, based out of the same building, but now a voice to more than 100,000 Aboriginal people across greater Sydney. The annual Yabun Festival celebrates Indigenous culture, music and community in a hugely successful drug- and alcohol-free event.

Redfern Aboriginal Alliance now has Aboriginal organisations working together—'We are shifting the focus from deficit to strength. This shows a belief that we were always a Strong People who adapted to change and managed to get us to this point. Where we take this is up to us!'

Our connected history

In the first half of the 1900s, Aboriginal people from across New South Wales migrated between Salt Pan Creek, La Perouse and then Redfern in search of work and a better quality of life. By the 1950s, Redfern was an established Aboriginal community alongside La Perouse and our grandparents travelled to work together on the buses, worked together on the railway and in the factories, and socialised together outside of work.

In 1971, the Redfern All Blacks and La Perouse All Blacks (now La Perouse Panthers) became the founding member clubs of the inaugural New South Wales Aboriginal Rugby League Knockout (known as the Koori Knockout). 'The Knockout was about family and community, and coming together, it was never just about football', recalls committee member Bob Morgan.

The 1988 March for Freedom, Justice and Hope is a proud moment writ clear in the minds of many in our communities. La Perouse and Redfern people stood together at Yarra Bay, watching the buses and trucks roll in,



as around 20,000 Aboriginal people joined their supporters from the trade unions, the churches, ethnic groups and the wider community. It was a demonstration of survival. Out of the march came the annual Survival Day Concert, now known and celebrated as the Yabun Festival on 26 January each year. Yabun is the largest one-day Aboriginal and Torres Strait Islander festival, with an audience of between 20,000 and 25,000 people.

Now, with the establishment of the Inner Sydney Aboriginal Alliance, we are looking forward to erasing the boundaries and being there together as black fellas, working together to help our community and our people.

Our vision

Figure 2.8 illustrates the two worlds that our people must be strong and fluent in. A pathway of success winds between the two. The footprints show our joint vision as a cradle-to-the-grave approach—with all people in our community supporting one another to confidently navigate their way along the path.

Figure 2.8: Our vision

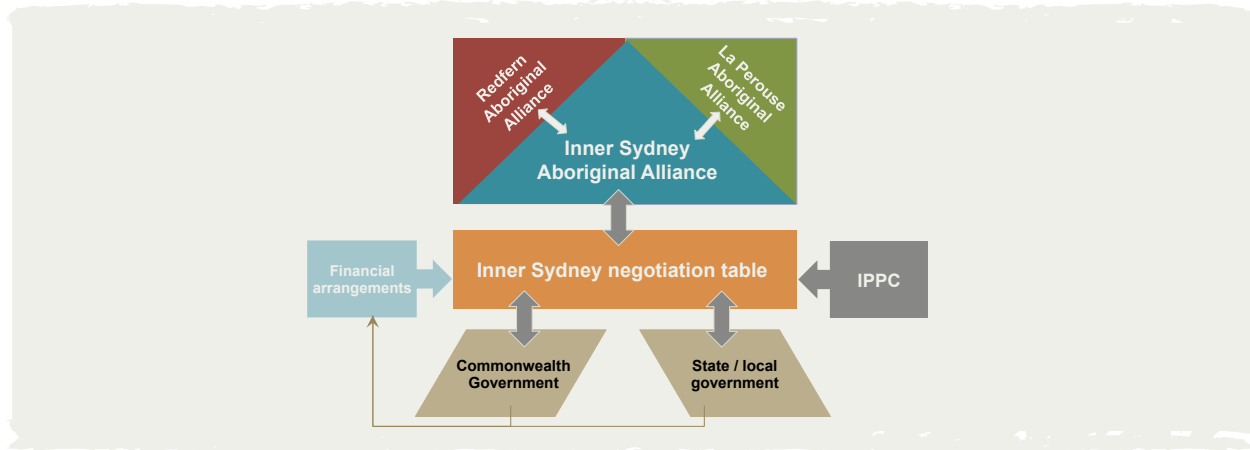


We have identified eight objectives that emerge from our vision for our communities in the Inner Sydney region:

- Parents are supported to be involved in their kids' education and maintain routines for kids to go to school every day. Schools are welcoming places that provide a high-quality education.
- We have a safe, capable and supportive community where our culture is practised and maintained through dancing, singing, language and sharing of knowledge and kinship.
- Capable adults participate in either training or work.
- Housing is affordable and safe, and individuals respect and care for their property and people are supported to achieve home ownership.
- There is a respectful relationship between our community and the law.
- Elders are supported and cared for by our community.
- People in our community are healthy and have access to quality health care.
- Our young people's aspirations are supported.

Governance structure

Figure 2.9: Governance structure



Legitimate representation

The governance structure in Inner Sydney will be based on the Aboriginal organisations that deliver services to the communities. Authority in Inner Sydney today stems from the boards and leadership in these Aboriginal community organisations. The organisations have a relevant membership base from the Aboriginal community, and elders and families are engaged and consulted for guidance on changes and initiatives. Decisions are made using a democratic system.

The pathway for participation in the Empowered Communities model will be through membership of either the La Perouse Aboriginal Alliance or the Redfern Aboriginal Alliance. In order to opt in to Empowered Communities, an organisation will need to meet the criteria for the relevant community alliance and therefore be an active member of the community's governance structure. This will ensure that organisations are part of the community planning and policy implementation process, and are working together. Opt-in organisations will sign on to an official document that jointly commits them to the Empowered Communities principles and social norms, the vision and objectives they are trying to achieve, and a regional structure for collaboration and operation.

Redfern Aboriginal Alliance

The Redfern Aboriginal Alliance will represent the Redfern Aboriginal community and seek to promote, advocate and lobby for positive and effective change to achieve autonomy for the Aboriginal community. It will seek the views and feedback of the community and foster collaboration among community services, which will involve maintaining a community plan, agenda and priorities.

The Redfern Aboriginal Alliance will also:

- establish and maintain strategic stakeholder relationships and collaboration with government and corporate Australia
- at all times maintain its focus on the agreed scope and on outcomes that will benefit the community
- monitor and manage factors outside the Alliance's control that are critical to its success
- act as a mechanism to review progress against strategic goals and assess the effectiveness of the Alliance.

Figure 2.10: The Redfern Aboriginal Alliance and opt-in organisations



Opt-in criteria

In order to opt in, Aboriginal-controlled organisations in the Redfern area must be incorporated under the Commonwealth *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act), administered by the Office of the Registrar of Indigenous Corporations; the Commonwealth *Corporations Act 2001*, administered by the Australian Securities and Investments Commission; or the NSW *Associations Incorporation Act 2009*, administered by Fair Trading NSW, and the NSW *Aboriginal Land Rights Act 1983*.

Where organisations are not incorporated under the CATSI Act, they must demonstrate that they are Aboriginal controlled—that is, that a majority of members and directors are Aboriginal.

Opt-in organisations must also adhere to the strategic objectives and principles of the Redfern Aboriginal Alliance Group.

Existing member organisations are illustrated in Figure 2.10. New membership will be by invitation or application to the Alliance. A majority of existing members must vote in favour.

Governance structure

The Redfern Aboriginal Alliance will meet quarterly, with provision in the terms of reference to call special meetings as required. A quorum of four members will be required to hold a meeting and make decisions. The Alliance will hold an annual general meeting to review membership and roles and hold elections as required. The chair and secretary will be elected every three years at an annual general meeting.

Failure to actively participate and cooperate, or failure to meet the rules of membership (per the Redfern Aboriginal Alliance terms of reference), will warrant review of membership.

La Perouse Aboriginal Alliance

The role of the La Perouse Aboriginal Alliance will be to provide an effective strategic, representative and accountability mechanism for the La Perouse Aboriginal community to express its views and needs and to achieve its aspirations. The La Perouse Alliance will maintain a La Perouse community plan that reflects the community's priorities and funding requirements. It will also contribute to the design and delivery of local solutions to local issues.

Opt-in criteria

In order to opt in, Aboriginal-controlled organisations within the boundary of the La Perouse Local Aboriginal Land Council area must be incorporated under the Commonwealth *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act), administered by the Office of the Registrar of Indigenous Corporations; the Commonwealth *Corporations Act 2001*, administered by the Australian Securities and Investments Commission; or the NSW *Associations Incorporation Act 2009*, administered by Fair Trading NSW, and the NSW *Aboriginal Land Rights Act 1983*.

Where organisations are not incorporated under the CATSI Act, they must demonstrate that they are Aboriginal controlled—that is, that a majority of members and directors are Aboriginal.

Opt-in organisations must also adhere to the strategic objectives and principles of the La Perouse Aboriginal Alliance.

Existing member organisations are illustrated in Figure 2.11. New membership will be by invitation or application to the Alliance. A majority of existing members must vote in favour.

Figure 2.11: The La Perouse Aboriginal Alliance and opt-in organisations



Governance structure

The La Perouse Aboriginal Alliance will meet bi-monthly, with provision in the terms of reference to call special meetings as required. A quorum of 50 per cent plus one will be required to hold a meeting and make decisions. The Alliance will hold an annual general meeting to review membership and roles and hold elections as required. The chair and secretary will be elected every three years at an annual general meeting.

Failure to actively participate and cooperate, or failure to meet the rules of membership (per the La Perouse Aboriginal Alliance terms of reference), will warrant a review of membership.

Inner Sydney Aboriginal Alliance

The Inner Sydney Aboriginal Alliance (ISAA) will bring together the La Perouse and Redfern alliances to develop and put forward a regional voice. Terms of reference will be developed and agreed in early meetings to clearly articulate membership, roles, dispute resolution processes, and accountabilities.

Each community alliance will nominate three representatives to sit on the ISAA for a set period of time. Additional representatives may be nominated based on the meeting agenda and availability of community members. There will not be government representatives on this body. All representatives will be nominated on the basis of identified skills and capacity to contribute. When sitting on the ISAA, members will represent their community's interests, not their own or an organisation's interests—that is, they represent La Perouse and Redfern, not their community organisation. The ISAA will be co-chaired by one Redfern representative and one La Perouse representative, to be elected by each community alliance. The co-chairs' organisations will be compensated in recognition of the co-chairs' time away from their regular roles.

The key roles of the ISAA will be to:

- consolidate the two community plans into one Inner Sydney regional plan. The regional plan will set the regional agenda, take a 'cradle to grave' approach to service planning, and include tailored solutions for each community
- develop a position on priorities and funding requirements to take to the negotiation table with governments
- contribute to the design and delivery of local solutions to local issues
- seek transparency on funding and outcomes and work to strike a balance between accountability and unnecessary bureaucracy
- report on successes and failures
- nominate representatives to sit at the negotiation table with governments.

To successfully fulfil its role, the ISAA will require a funded permanent secretariat. The secretariat will be a common resource, but independent of both communities. It is envisaged that the secretariat will have a minimum of three positions, whose roles will include:

- supporting the ISAA, including drafting position papers, undertaking research and assisting to develop policy as directed by the ISAA
- supporting the La Perouse and Redfern alliances, and providing community input to negotiation table agenda items
- facilitating and coordinating responses to government agenda items, including recommending the invitation of relevant experts to the Inner Sydney Aboriginal Alliance as needed
- maintaining key documents such as terms of reference, opt-in agreements, community plans and the regional plan.



The Bumpers, youth on school holiday activity.

La Perouse Youth Haven



Ngaanyatjarra Pitjantjatjara Yankunytjatjara Lands

Our history and context

Our region crosses borders

The Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands⁸ span the tri-state central desert region of South Australia, Western Australia and the Northern Territory, covering 350,000 square kilometres and encompassing 26 remote communities and homelands, with an overall population of around 6,000 Anangu and Yarnangu (Aboriginal people).⁹ The remoteness of the NPY Lands, combined with the vast geographical distances between communities, creates a unique set of challenges and complexities, including extreme isolation and difficulties accessing appropriate and effective services.



We share strong and binding ties

Central Australia has a long and proud history of Aboriginal activism and action. Some of the first Aboriginal organisations in Australia were formed in our region, many with the aim of providing a stronger voice for community members. Anangu share a deep commonality, which crosses state and territory borders. These jurisdictional borders have little or no meaning for Anangu, who are highly mobile throughout the region (between and within communities and between the NPY Lands and Alice Springs). *Tjukurpa* (Anangu law, culture and beliefs) remains very strong in this region; it provides a binding historical, cultural, familial and linguistic connection across the NPY Lands, uniting Anangu with one another and with the land.



Children at Pukatja (Ernabella).

NPY Women's Council

8 For the purposes of Empowered Communities, the NPY region includes Alice Springs insofar as it is the regional centre providing services for the NPY Lands communities.

9 Hereafter referred to collectively as Anangu.



Collaboration is key to our success

In the NPY Lands, we know that when we work together from the ground up, *malparara* way (two-way learning between Anangu and non-Anangu), we see success. For example, in 2005 the NPY Women's Council, General Property Trust and the Central Australian Youth Link-Up Service formed the Opal Alliance, which brought about the introduction of government-subsidised Opal fuel in Central Australia.¹⁰ As a result of this work, the Opal Alliance was awarded the 2007 National Drug and Alcohol Award for Excellence in Prevention. A 2008 study reported a 94 per cent reduction in inhalant abuse in the southern region of the Northern Territory¹¹ and inhalant abuse in the region remains low.

In recent years, the innovative Cross-border Justice Scheme has been instrumental in ensuring that perpetrators of domestic and family violence do not evade justice by crossing the SA, WA and NT borders. A current example of collaboration in Central Australia is the new food supply and distribution arrangement planned for the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. This is a joint project between an Anangu organisation (Mai Wiru Regional Stores Council), the philanthropic sector (Foodbank SA) and corporate food and freight suppliers, with key support from government.

Serious challenges remain

Despite concerted efforts towards positive change, Anangu in the NPY Lands still face high levels of social and economic disadvantage: high levels of poverty, violence, joblessness, substance abuse, food insecurity, crime and illness. For young Anangu, there is also significant cultural disintegration (caught between two worlds), disengagement from the education system and a sense of hopelessness about the future, with few opportunities for leisure or success. This is particularly significant given that more than half of the population of the NPY Lands is aged 24 years or under.

The need for change

A new approach is needed

A 2009 review of Indigenous expenditure found that:



Despite the concerted efforts of successive Commonwealth, State and Territory governments to address Indigenous disadvantage, progress has been mixed at best ... Past approaches to remedying Indigenous disadvantage have clearly failed, and new approaches are needed for the future.¹²

These findings ring true for the NPY Lands. For example, only two remote service delivery sites (Amata and Mimili) and no NT 'growth towns' fell within the NPY Lands. The Northern Territory Emergency Response (also known as the Northern Territory Intervention) is perhaps one of the most significant and controversial policies in contemporary Australia and has an ongoing effect on the way in which some NT organisations and individuals view government. The current Alice Springs Transformation Implementation Plan (Stronger Futures) includes positive elements, such as the Integrated Response to Domestic Violence, but is focused on improving outcomes for Aboriginal people in Alice Springs, not the remote NPY Lands communities. In addition, the effectiveness of regional partnership agreements is an open question. The APY Lands Regional Partnership Agreement (which was signed in 2013 by the APY Executive, the Commonwealth and South Australia) is still a work in progress, and an evaluation of the 2005 Ngaanyatjarra Regional Partnership Agreement concluded that the 'most significant outcome' of that agreement was that the partners wanted to 'start afresh'.¹³

¹⁰ Opal is a low-aromatic petrol developed to combat the prevalence of petrol sniffing.

¹¹ P d'Abbs & G Shaw, *Evaluation of the impact of Opal fuel: a report for the Commonwealth Department of Health and Ageing*, 2008.

The full report has not been publicly released. The executive summary is available at www.health.gov.au/internet/stoppetrolsniffing/publishing.nsf/Content/sniffing-pubs-opalimp.

¹² Department of Finance and Deregulation, *Strategic review of Indigenous expenditure: report to the Australian Government*, 2009, pp. 10–11, available at www.finance.gov.au/sites/default/files/foi_10-27_strategic_review_indigenous_expenditure.pdf.

¹³ Dixon Partnership Solutions, cited by P Sullivan in *Government processes and the effective delivery of services: the Ngaanyatjarra Council and its Regional Partnership Agreement*, Desert Knowledge Cooperative Research Centre Working Paper 71, 2010, p. 7, available at www.nintione.com.au/resource/DKCRC-Working-paper-71_Ngaanyatjarra-Council-and-its-RPA.pdf.

Change must happen now

The urgent need for change in our region is perhaps best highlighted by the disturbing data collected by NPY Women's Council staff in relation to suicides. From June 2011 to June 2014 on the NPY Lands, there were 13 reported suicides and 35 suicide attempts, which is, on average, more than one suicide or attempted suicide per month during that three-year period. Further, 10 of the 13 reported suicides (77 per cent) were by young people aged 24 years or younger, and the youngest person was only 10 years old. The main factors contributing to suicidal behaviour are family and domestic violence, substance abuse and a deep layer of unresolved grief and trauma.



Imanpa, Northern Territory.

Rhett Hammerton

We are ready for change

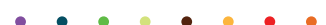
Today, there is a strong appetite in our region, and particularly among key regional organisations, for increased collaboration and change.

Traditional Anangu lifestyle was about sharing, connection, looking after one another and working together to get things done—this is what was important and how people benefitted. It is a grassroots framework for survival. The principles of Empowered Communities build on this foundation. Although some Anangu organisations in our region already work together and have a relationship, Empowered Communities is about something more—it is about sitting down together and forging a common pathway. This is our new framework for survival and now is the time to create it.

— Bruce Smith, Chairperson, Ngaanyatjarra Council, June 2014

In the NPY Lands, closing the gap is not only about improving the social determinants of health for Anangu. We also need to close the gap that exists between Anangu and governments, because many Anangu feel that engaging with governments is like standing on one foot trying to balance; all too often, the views, ideas and needs of Anangu fall into the 'gap'. The experience of many Anangu today is that their voices are still not heard by governments. We must not mistake the large number of government workers travelling through the NPY Lands as government working effectively with Anangu.

To create an environment in which our vision for the NPY Lands can become a reality, there must be a rebalancing of responsibility and a closing of the gap between governments and Anangu, with genuine commitment from all parties. Empowered Communities is the way to make this happen.



Our vision

Nyawa! Look!

For Anangu, the meaning of the word *nyawa* is that all of us together are looking ahead towards a new future. The word *nyawa* is unifying because it has the same meaning across different language groups in the NPY Lands. We have chosen this single word to encapsulate our shared vision for Empowered Communities in the NPY Lands of Central Australia.

Kuranyu kutu palyantjaku—to make a new future

This is a purposeful and active statement. Our vision for the NPY Lands is to increase the capacity of our people to lead healthy and meaningful lives, in safe and positive communities, with improved life choices in all areas that matter in our communities, including education; law and culture; health and wellbeing; training and work; access to justice; housing and accommodation; social, economic and community development; and the needs and aspirations of young and vulnerable people. This vision is reflected in five long-term goals (the ‘social norms’ of the Empowered Communities model), and so we must take on the responsibility of achieving these goals. Children are at the centre of these goals and our vision.

A child born into the post-Empowered Communities world should have a better chance at life.
— Andrea Mason, CEO, NPY Women’s Council, June 2014

This is our dream for our families and communities. Empowered Communities is about making that dream come true.
— Margaret Smith, Director, NPY Women’s Council, June 2014



Children at Pukatja (Ernabella).

NPY Women’s Council

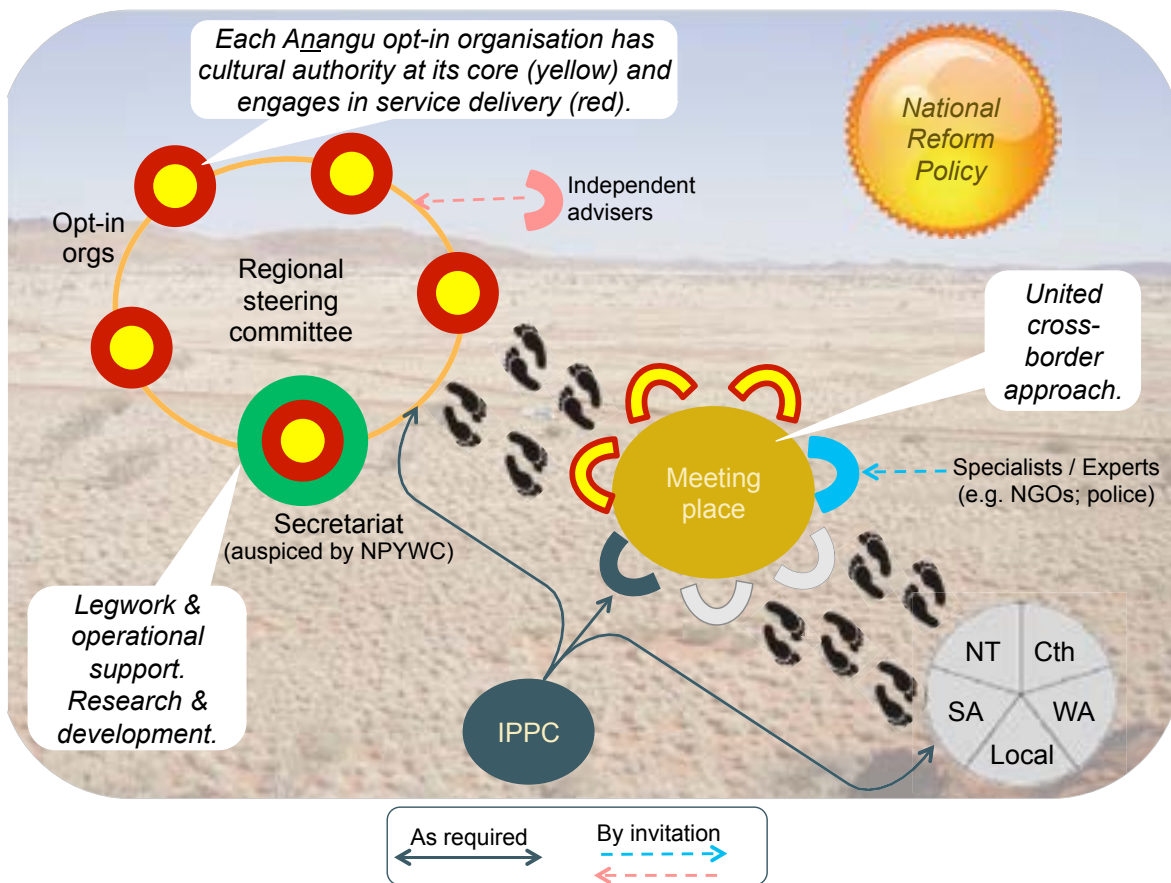


*Tjungungku. Kulira nyakula kutjuntu palyantjaku—
coming together*

Empowered Communities is about everybody working together for a common vision and shared strategy. Empowered Communities is about creating a genuine and balanced partnership between Anangu, governments and corporate Australia, where everybody is united and working together on a level playing field, *wiru way*—proper way.

Governance structure—Empowered Communities in our region

Figure 2.12: A new model of engagement and governance



Secretariat (backbone organisation)

Witira kanyilpai. We are holding it all tightly together.

The proposed operational home for the NPY Lands is a small and separate unit, auspiced by NPY Women’s Council (shown by the green circle in Figure 2.12) and adequately resourced with permanent funding for staff with expertise in policy and delivery. As a recognised role model for good governance in our region, NPY Women’s Council is well placed to house the unit and will ensure that the implementation of the Empowered Communities reforms is led by Anangu (not by an external body).

The unit will provide secretariat support to, and take direction from, the regional steering committee and will have a facilitation and coordination role, performing the legwork for Empowered Communities in the region. The unit will apply an action-research model: *Ngurira nyakula palyalkatipai*—1. Think, look and listen; 2. Plan; 3. Act; 4. Evaluate and review; return to step 1. This cyclical model has proven successful in our region—it aligns with the Anangu way of approaching issues and thereby helps to ensure that plans and actions are appropriate.

Regional steering committee

Uwankarangku kulira palyalpai. Everyone working together to assess, listen, learn and do.

The regional steering committee will be a network or alliance of opt-in organisations that sign up to a governing agreement (or memorandum of understanding) and are united by a common vision and shared strategy that crosses the NT, WA and SA borders. The committee will guide, make decisions and provide strategic direction for Empowered Communities in the region, including setting the regional agenda and priorities and working to prosecute them through joint action and binding agreements with the Commonwealth and state and territory governments.

The regional steering committee will operate like the Council of Australian Governments, in that opt-in organisations will retain their independence, but also come together to work on certain key regional issues. The committee will have two rotating co-chairs. Subcommittees may be formed (for example, by sector) and independent advisers may be invited to assist the committee on particular matters.

Opt-in organisations

Tjukurpa wangkantjatjara. A strong and authoritative cultural voice.

Any registered or incorporated Aboriginal organisation or body that is engaged in service delivery for the NPY Lands and has the wellbeing of Anangu as the focus of its core business can opt in to Empowered Communities in the NPY Lands, provided they commit to all eight Empowered Communities principles, support all five long-term Empowered Communities goals and actively deliver or work in at least one of the five goals. Opt-in organisations must have cultural, organisational and community legitimacy. In the NPY Lands, cultural authority (shown by the yellow circles in Figure 2.12) is embedded in opt-in organisations by virtue of being Anangu-led through elected boards and members. This feature is essential to ensuring that services delivered in our region (shown by the red circles) are appropriate and effective for Anangu. Opt-in organisations must have the capacity to be contributing members of the regional steering committee.

The key principles of the opt-in process for our region are transparency, accountability and responsibility. Opt-in organisations must have strong governance and a history of effective service delivery in the region. This applies at the local level too, in that organisations must foster strong, participatory community governance. Accordingly, a regional opt-in organisation must be representative of its member communities and must have proper processes for information flow and decision-making with its member communities. Non-negotiable exclusion principles include corruption and actively working against the long-term goals. A 'no disadvantage' principle is also important; opt-in organisations should not be negatively affected by Empowered Communities.

Meeting place (negotiation table)

Tjungungku. A genuine and balanced partnership.

The meeting place provides the platform for reaching binding regional agreements and taking joint regional action by bringing together all necessary decision-makers. This includes Commonwealth, state and territory, and local government representatives (where needed), the regional steering committee co-chairs and at least one other opt-in organisation. Other opt-in organisations can participate by choice (for example, if an issue directly concerns them) and specialists or experts can participate by invitation (for example, other NGOs, police). All parties must come to the meeting place with a genuine commitment to work together and take a united cross-border approach, with the aim of breaking down problematic silos and seeing past the jurisdictional boundaries of the NPY Lands. This process must last beyond election cycles.

A traditional framework

NPY Women's Council has planted the first seed of Empowered Communities in our region and helped to nurture it; now, we must all work together to grow, build and communicate Empowered Communities.

— Bruce Smith, Chairperson, Ngaanyatjarra Council, June 2014

In time, our Empowered Communities tree will bloom and shed more seeds and we will all enjoy the benefits of the *tjata* (rich harvest) that we grow together.

Amuroona, South Australia.

North-east Arnhem Land

Our history and context

The north-east Arnhem Land region is located in the north-eastern corner of the Northern Territory, approximately 1,050 kilometres from Darwin. This vast tract of nearly 100,000 square kilometres of Aboriginal-owned land is one of the last strongholds in Australia of a vibrant traditional Aboriginal culture.

The Aboriginal people of north-east Arnhem Land, the Yolngu, today live a unique lifestyle with a strong cultural focus, despite ongoing constant pressure to conform to a western lifestyle. Land and country are genetically factored into the DNA of all Yolngu people. The Yolngu have lived in the region for at least 50,000 years, with recognised land and sea estates. Many Yolngu live in small communities on the traditional homelands of 13 different clan groups—the number reflects the richness and diversity of our culture. *Yolngu matha* is spoken as the first language in a typical Yolngu home but there are more than 40 Yolngu languages across the region. English is the second or third spoken language.

North-east Arnhem Land, including the Gove Peninsula, is part of the Arnhem Land Aboriginal Land Trust, and is held under inalienable freehold title by the Northern Land Council on behalf of the traditional land owners. The township of Nhulunbuy and the associated Rio Tinto Alcan bauxite mining operation are on lease areas. Yirrkala, some 15 kilometres south-east of Nhulunbuy with approximately 800 people, is the largest Yolngu community on the peninsula. The region's economy faces uncertain times given the current curtailment of the bauxite refinery.

Since early missionary days, religious and government intervention has attempted to provide solutions to a race entrenched in disadvantage. The constant imposition of 'we know best' ideas on the Yolngu people has inadvertently cut across complex cultural barriers to such an extent that there is no simple solution to 'unpicking' the disadvantage that is today experienced by the people of this region.

The Dilak Authority (comprising our 13 Yolngu clan nations) has long operated as our system of governance, but is not recognised outside our traditional world. In order to achieve effective Indigenous policy reform, government must hear that Yolngu people are requesting responsibility to determine our own future. We request that governments:

- work consistently with Yolngu people at face value, with eye-to-eye contact, on our traditional land
- acknowledge and accept wholeheartedly the governance model culturally preferred by the Yolngu
- consult with the Yolngu people to ensure that we have a fair say in all future laws and policies made about us.

The right to determine our own future

The Yolngu voice to government has repeatedly attempted to explain the significance of the right to determine our own future.

1963: The Yirrkala Bark Petition

'Despite the fact we were still living our traditional lives, hunting and fishing on our estates, performing the ceremonies for the land and following the rules of kinship, we had no standing either as citizens of Australia, or as a people with our own law. We did not exist in balanda [non-Indigenous] law. The Commonwealth Government, the missionaries, the mining company, all had power. We, the people of the land, had none.

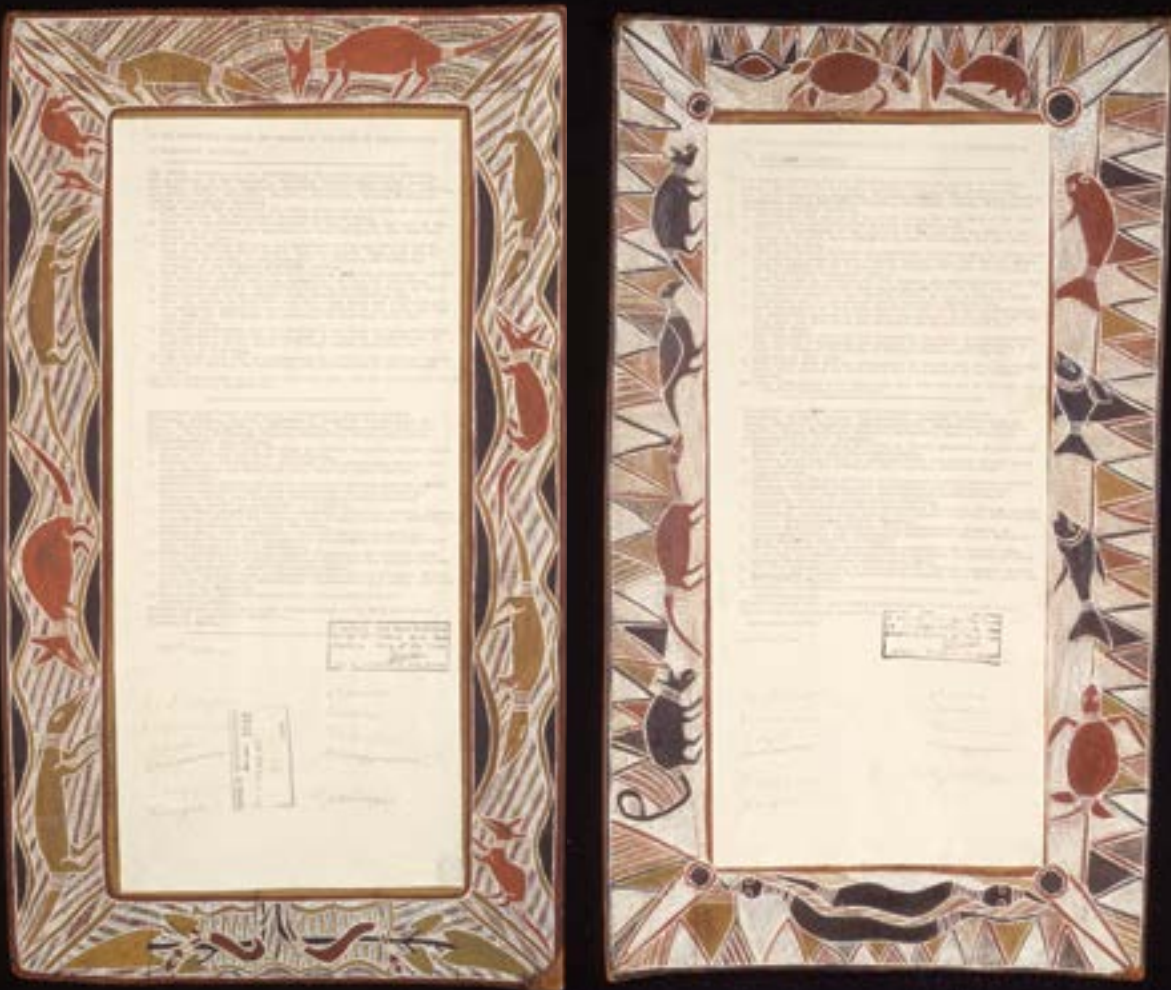
'A group of strong Yolngu leaders decided to fight this injustice. In the early 1960s, when the Gove bauxite mine began, we began our fight. Yolngu tribes from north-east Arnhem Land took what is known as the Bark Petition to Canberra, to explain to the government why our land is sacred.

‘Think about what they did for a moment. Using traditional methods, they prepared a document which expressed the most important aspects of Yolngu law and society. The 13 clans came together, negotiated what should be included, and set about preparing this painting which was unique and unprecedented. It could be likened to the Magna Carta of balanda law because it was the first time Yolngu had ever set our law down for others to see ...

‘That unique and powerful document was taken to Canberra, along with our sacred objects and symbols. And we were told that the government could not help us.’

— Galarrwuy Yunupingu AM

‘We know these things to be true: The Third Vincent Lingiari Memorial Lecture’,
20 August 1998



In 1963, Yolngu elders presented a bark petition to the Commonwealth Parliament in the English and Gumatj languages. The petition protested the Commonwealth Government's decision to grant mining rights in the Arnhem Land reserve, and called for recognition of Yolngu land rights and a parliamentary inquiry.

Yirkala Bark Petitions of the Dhuwa moiety (left) and Yirritja moiety (right)

1963

Natural ochres on bark, ink on paper

46.9 x 21 cm (each work)

House of Representatives, Canberra

1988: The Barunga Statement

On 12 June 1988, the chairpersons of the Northern and Central Land Councils, Galarwuy Yunupingu and Wenten Rubuntja, presented Prime Minister Bob Hawke with a statement of national Aboriginal political objectives at the annual Barunga cultural and sporting festival. The statement, known as the Barunga Statement, drew inspiration from the Yirrkala Bark Petition.

The Barunga Statement called on the Australian Government and people to recognise the rights of the Indigenous owners and occupiers of Australia, and on the Commonwealth Parliament 'to negotiate a Treaty recognising our prior ownership, continued occupation and sovereignty and affirming our human rights and freedoms'.

2008: Petition presented to Prime Minister Kevin Rudd

In July 2008, 45 years after the original Yirrkala petition, Prime Minister Kevin Rudd was presented with another petition from the united clans of east Arnhem Land. The petition requested that he:

secure within the Australian Constitution the recognition and protection of our full and complete right to:

- Our way of life in all its diversity;
- Our property, being the lands and waters of east Arnhem land;
- Economic independence, the proper use of the riches of our land and waters in all their abundance and wealth;
- Control of our lives and responsibility for our children's future.

The petition asked for his leadership to 'start the process of recognition of these rights through serious constitutional reform'.



Garma Festival, north-east Arnhem Land.

© Yothu Yindi Foundation

The challenge confronting us

Yolngu do not exist in their own society in the same way as non-Indigenous people do. The two worlds need to find a balance of both influences to make reform effective.

It is through the ceremonies that our lives are created. These ceremonies record and pass on the laws that give us ownership of the land and of the seas, and the rules by which we live.

Our ceremonial grounds are our universities, where we gain the knowledge that we need.

We travel the song cycles that guide the life and the essence of the clans—keeping all in balance, giving our people their meaning. It is the only cycle of events that can ever give a Yolngu person the full energy that he or she requires for life. Without this learning, Yolngu can achieve nothing; they are nobody.

— Galarwuy Yunupingu AM

Commonwealth special purpose funds for remote Indigenous regions are diverted by Darwin governments from the bush to their own spending priorities in our capital city. More than \$300 million misses its target in the transfer process from federal to state coffers.

The recent review of Indigenous education clearly shows that Indigenous and remote residents are not priorities for government. A basic human right to quality education has been denied to Yolngu people; hence the current reliance on welfare dependency.

Statistical snapshot of the region

- 12% of Aboriginal children in north-east Arnhem Land completed high school in 2012 (compared to 54% of Indigenous young people nationally).
- Six out of every 10 Aboriginal children at Year 3 cannot read at the national average level; the figure increases to nine out of 10 at Year 7 and above.
- In 2011, 50% of Aboriginal community members in north-east Arnhem Land were in work (the Indigenous unemployment rate was 31% for the Northern Territory).
- The child mortality rate in north-east Arnhem Land for Aboriginal children under five years of age was 19 times higher than for non-Indigenous children in 2011 (the national rate was twice as high).
- The gap in life expectancy for the region is 14 years (compared to 10 years for Indigenous people nationally).
- Socioeconomic status in the north-east Arnhem Land local government area is the second lowest in the Northern Territory and the eighth lowest in Australia.
- Across the Northern Territory, Indigenous people make up 86% of the prison population and comprise 30% of the overall population.
- More people die of alcohol consumption in the Northern Territory than in any other state.
- According to the 2014 Northern Territory Indigenous education review, very remote schools in the Northern Territory have the worst outcomes among remote regions in Australia.
- There remains chronic underservicing, with governments playing catch-up to account for several decades of underfunding infrastructure and services.
- Most people choose to live on their homelands, but these areas also remain underserviced under current policy settings.
- Six of the remote service delivery sites were in north-east Arnhem Land, recognising the low levels of servicing in the region.

Sources: NAPLAN 2012; 2011 Census; B Wilson, *A share in the future: review of Indigenous education in the Northern Territory*, 2014.

Gaps in services and lack of coordination are the result of the large footprint of three levels of government—local, state and federal. Insufficient and knee-jerk reactionary consultation causes unnecessary anxiety in families of Northern Territory remote communities—the Northern Territory Emergency Response being one such example.

Agendas change with ministers and governments, hampering local action.

Economic development occurs mainly near Nhulunbuy and on Groote Island, clustered around the two mines in the region. Economic opportunities are decreasing or do not exist at all in the more remote locations of north-east Arnhem Land.

Both overt and implicit racism are conspicuous in government relationships, with different standards set for Indigenous and non-Indigenous Australians in the Northern Territory.



Garma Festival, north-east Arnhem Land.

© Yothu Yindi Foundation

Tapping the strengths of the region

Local Indigenous organisations set up by clans and elders are making slow but positive change. These are just some of the success stories from the Gove Peninsula:

Regional spotlight

- The Yothu Yindi Foundation is the founder and host of the Garma Festival, held in August. Each year, up to 2,500 international and national guests gather to learn about Yolngu culture. The Foundation is currently working with the NT Department of Education on implementing recommendations from the recent review into Indigenous education. It is also working with senior leaders of Arnhem Land clans to ensure that Yolngu families have major input into the review process, that the Yolngu voice will be prominent, and that culture and language will be significantly factored into the final recommendations.

Economic development and employment

- Gumatj Corporation has created enterprises of benefit to the community that have provided 70 Yolngu jobs for community members. The aim has been to convert CDEP positions to real jobs.
- Lirwi Tourism is a fledgling industry for this region, creating jobs in homelands through tourism.



- Miwatj Employment and Participation now delivers components of the old Remote Jobs and Communities Program. It now has more than 800 Yolngu within its range searching for employment at any one time. This figure fluctuates according to the ceremonial activities of the people and the region.

Land

- Dhimurru and Yirralka Rangers programs allow Yolngu to work and receive training in land management that combines traditional and western practice. They deliver Learning on Country, an education concept derived from local cultural knowledge systems.
- The Laynhapuy Homelands Aboriginal Corporation supports the many outstation-based people who live more remotely within the region. It undertakes a range of support services including housing, maintenance and health matters.

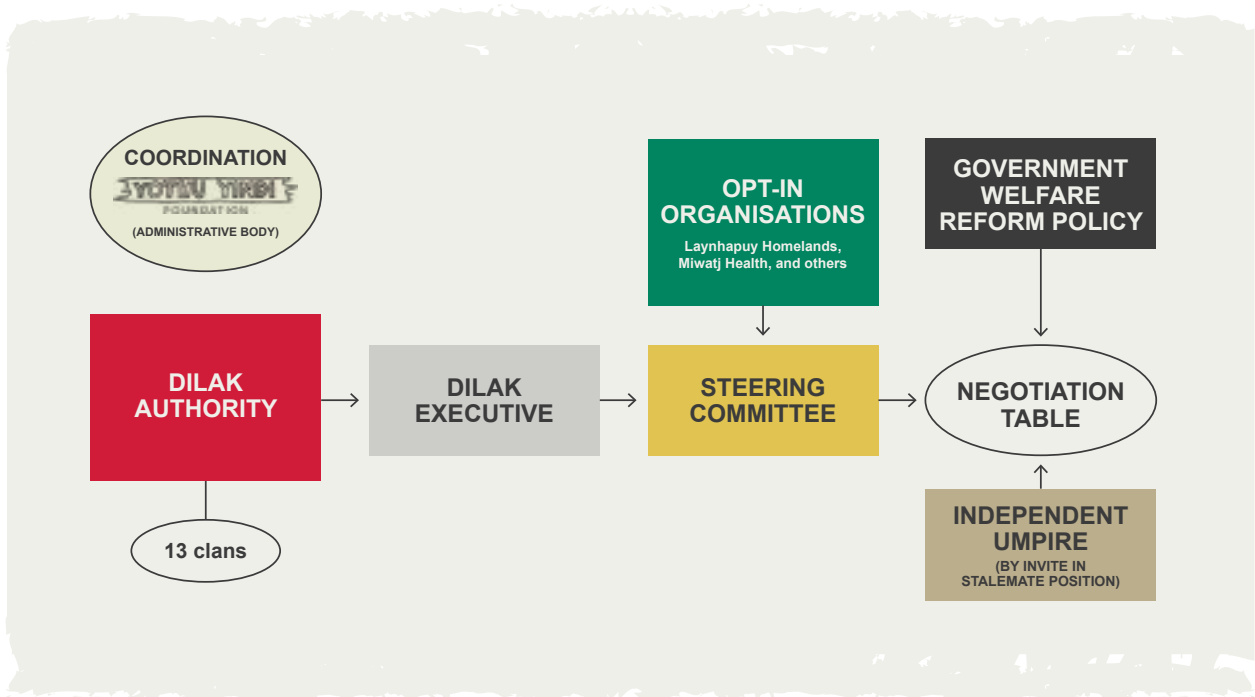
Our vision

The 13 clans, and other opt-in organisations, will own the five long-term norms of Empowered Communities. Our vision for north-east Arnhem Land encompasses:

- educational excellence to end the welfare cycle, backed by effective educational facilities and curriculum
- Yolngu job creation and workforce development customised to the capacity of the community
- safe and healthy communities where individuals understand and respect the rule of law, where children and those who are vulnerable are cared for and safe, where people do not commit domestic violence, and where there are options to assist those challenged by alcohol and drugs
- economic development opportunities through the use of land as an economic asset as well as a spiritual hearth
- recognition of the primacy of Yolngu land ownership and Dilak governance within the Yolngu system
- governments making a long-term bipartisan commitment to improving Indigenous futures by targeting funds at Aboriginal disadvantage in an appropriate way that avoids red tape, government misallocation and ineffective oversight of programs.

How we will achieve our vision

Figure 2.13: Governance structure



Who are the Dilak?

'The Dilak are a sovereign authority within this Yolngu nation. The parliament and the Australian nation have 'walked straight past' Yolngu. The Dilak will work directly with government to guide and advise with wisdom and common sense from the leaders of the people. We have resurrected our traditional authority and put it into action.'

— Djambawa Marawili of the Madarrpa clan



© Yothu Yindi Foundation

Dilak elders are Yolngu men and women who make up the senior leadership for north-east Arnhem Land. Dilak are clan leaders who jointly have responsibility for the lives of their people, and their specific land, culture and future in north-east Arnhem Land.

They relate to each other through the highly respected Yolngu moiety system of *Yirritja* and *Dhuwa*.

The status and responsibilities of these men and women are determined by the traditional decision-making processes and legal structures of north-east Arnhem Land.

The Dilak concept was realised through the Yirrkala Village Council (1960s) and in the proposed Garna Council (1980s) and again suggested in the context of the Northern Territory Emergency Response. It is the key means of ensuring local input to the direction of government policy and establishing a two-way interactive approach to Aboriginal development.

The Dilak Authority has now been recognised by the Northern Land Council as the region's preferred governance model and it welcomes the opportunity to work with government on reform measures in the Arnhem Land region.

Traditional body paint and headwear signify rank and responsibilities during ceremonial activities.

Role of the opt-in organisations

The opt-in organisations will:

- participate in the steering committee
- respect and seek advice from the Dilak Authority and support the policy vision of the Dilak Authority
- advise on evidence-based regional planning to guide future service delivery
- assist with and make recommendations on the streamlining of government funding opportunities and develop a shared understanding of the service delivery requirements of communities
- decrease overlap and duplication of funding to service providers across the region
- strictly adhere to the Empowered Communities principles to progress community development
- build organisational and service delivery capacity to align with the key aims of communities— school attendance, jobs, training, safe communities, better health and care for housing
- implement and drive reform at the steering committee level.

Role of the Dilak Authority

Each of the 13 clans will delegate one male, one female and later one younger leader of their choice to represent their vision and the priorities of the region's communities.

The Dilak Authority's vision will set the region's reform agendas, which will be conveyed to the steering committee through the Dilak Executive.

The Dilak Authority will formally endorse members appointed to the steering committee.

The Dilak Authority will meet triennially at the Garma Knowledge Centre.

Role of the administrative body

The Yothu Yindi Foundation will be the backbone organisation engaged to oversee the Empowered Communities process. It will be responsible for tracking progress and ensuring that the Dilak Authority vision remains intact, with the direction set by the senior clansmen and women. It will conduct all necessary administrative functions to implement the north-east Arnhem Land agenda for reform.

West Kimberley

Context

In the West Kimberley Empowered Communities region we know that working together with our collective strengths at our core will ensure that we are stronger together.

Kimberley Aboriginal people have a strong and proud history of standing together and speaking with a common voice to improve the lives of all people living in the Kimberley.

The West Kimberley Empowered Communities region includes the southern area of Broome and surrounds, and stretches as far north as the Fitzroy Valley and Derby. The Kimberley Land Council is the native title representative body that has core responsibilities for the whole Kimberley region; however, for the purposes of Empowered Communities, the council will be primarily focused on the West Kimberley region. We are working closely with Wunan, the East Kimberley Empowered Communities backbone organisation, to ensure that the design of our governance model is coherent, coordinated and consistent across the entire Kimberley region.



Walaalakoo Wirriya Warrngara Festival, joint Kimberley Land Council, Kimberley Aboriginal Law and Cultural Centre, and Kimberley Language Resource Centre 2014 Annual General Meeting, Jarlmadangah Burru Community.

Kimberley Land Council

A history of coming together

A number of research reports were commissioned in the 1980s to investigate and monitor the social, political, economic, legal, cultural and environmental impacts of mining activities on Aboriginal people in the Kimberley. The reports provided a useful insight into the challenges faced by Kimberley Aboriginal people and made a number of practical recommendations; however, most of the recommendations were not implemented as intended.

Kimberley Aboriginal people and organisations have consistently called for the opportunity to have a seat at the table with governments.

The Crocodile Hole report¹⁴ states:

Resource development and Aboriginal control, or the lack of it, has been and continues to bear an enormous influence on how Aboriginal people and their communities develop. Often they are adversely affected by these economic and political impacts. The process of exclusion and marginalisation continues to be consolidated through the lack of proper consideration of 'equity' as well as the importance of cultural heritage and social ways of Aboriginal people.

This, the decision to coordinate, became an Aboriginal initiative ... to provide an opportunity for representatives from all Kimberley Aboriginal communities to participate in identifying what are current concerns and problems and what strategies should be considered for local or discrete communities, organisations or groups, or those of a more far-ranging regional Kimberley basis.

The recommendations and general sentiment articulated so coherently in the Crocodile Hole report are echoed in our hopes and aspirations for Empowered Communities. And while it was one of the earliest reports to call for a local voice in policy design and implementation, it was certainly not the last.

The following are just a few examples of the many attempts made by Kimberley Aboriginal people to get a seat at the policy table and be able to influence policy design, development and implementation:

- 1990–2005: The Aboriginal and Torres Strait Islander Corporation in the Kimberley worked as well as anywhere in Australia before being disbanded due to its widely reported national dysfunction.
- 1992: A whole-of-Kimberley approach was developed in response to the Keating Government's proposed Social Justice package.
- Early 2000s: Kimberley Futures was formed, with a view to engaging with governments in policy development.
- Mid-2000s to 2011: The Tripartite Forum, with key leaders from the Kimberley sitting with both West Australian and Commonwealth government representatives, was formed with the same purpose.
- Mid-2000s to 2011: Negotiations between Kimberley Aboriginal people, Woodside Petroleum and the West Australian and Commonwealth governments took place to develop the Kimberley Enhancement Scheme and the Regional Benefits Agreement under the Browse LNG project.
- 2011: A regional partnership agreement was signed between Kimberley Aboriginal organisations and the West Australian and Commonwealth governments.

As these examples show, Kimberley Aboriginal people and organisations have consistently called for the opportunity to have a seat at the table with governments. While some advances were made with each attempt, it is clear more needs to be done if Kimberley Aboriginal people are to be able to take responsibility for policy, programs and services that will create parity with non-Indigenous Australians in the Kimberley and across Australia.

¹⁴ Kimberley Land Council & Waringarri Resource Centre, *Report of the Conference on Resource Development and Kimberley Aboriginal Control, 11–13 September, 1991, 1991.*

The case for reform

The fundamental challenge faced in every attempt to influence policy, programs and services has been the need to retrofit Kimberley Aboriginal people's ideas, plans and goals to successive government priorities. Inevitably, the retrofitting has meant ideas and ground-up policy design have been so compromised in the negotiation that the original intent, and therefore its effectiveness, has been lost or at least severely impeded.

Towards a long-term strategy: recent attempts

The most recent efforts to establish a Kimberley-wide regional partnership agreement began with a regional governance model, in which Kimberley Aboriginal organisations were to lead policy design, development and delivery in a number of priority areas identified by Kimberley Aboriginal organisations.

The West Australian Government initially participated in discussions but ultimately did not commit to any changes in its funding, service delivery or planning approaches.

The Commonwealth Government began with plans to pool all services and funding for the Kimberley region. Over time, however, the idea of pooling all funding and planning for the whole Kimberley was progressively reduced. In late 2013, the Commonwealth requested that the Kimberley Steering Committee (made up of many Kimberley Aboriginal organisations) submit a small number of project plans, which had to be directly aligned with the then government's priority areas around Closing the Gap building blocks. The committee reluctantly agreed and, with the support of the Kimberley Land Council and Jawun corporate secondees, developed a number of submissions they hoped the Commonwealth would agree to fund. A funding agreement was negotiated, developed and agreed to, with the Kimberley Land Council as the lead organisation on behalf of the Kimberley Aboriginal organisations involved. However, the funding agreement had not been formally executed by the responsible Commonwealth department before the federal election was called in August 2013. The federal bureaucracy then began operating in caretaker mode, and the funding agreement was placed on hold.

In May 2014, the Kimberley Land Council was again approached by the Commonwealth Government to revisit the original funding agreement. A new round of negotiations began and a new set of projects was agreed on; these projects were aligned with the new government's priority areas of jobs, education and community safety.

While the new funding agreement will deliver some useful projects, they are short term (one year or less), are driven by current government priority areas rather than responsive to local needs, and were planned in isolation over a matter of a few weeks rather than forming part of a longer-term strategy.

The fundamental challenge faced in every attempt to influence policy, programs and services has been the need to retrofit Kimberley Aboriginal people's ideas, plans and goals to successive government priorities.

Statistical snapshot

Population

- 45% of West Kimberley people are Indigenous, compared to less than 3% of the total Australian population.
- Well over 50% of West Kimberley people are under 25 years of age.

Employment

- Almost 55% of West Kimberley Aboriginal people are not in the workforce, compared with 21% in Western Australia.
- Employment rates are generally skewed because people in employment programs are counted as employed. With employment programs removed, only about 25% of West Kimberley Aboriginal people have genuine employment.

Education

- Only 19% of West Kimberley Aboriginal kids achieve Year 12, compared with almost 50% of their non-Indigenous counterparts.
- Attendance can be as low as 60% in some schools.

Health and wellbeing

- West Kimberley Aboriginal people are up to six times more likely to commit suicide than the general population. Suicide was almost non-existent in the 1980s and before.
- Between 13% and 27% of elderly Aboriginal people have dementia, compared to 2.6% among non-Aboriginal people aged 45 and over.
- Between 1997 and 2007, around two-thirds of deaths of Kimberley residents under the age of 75 could potentially have been avoided. Of these, more than half could have been avoided through the use of primary intervention.

Safety

- For the period between 2005 and 2009, the rate of all alcohol-related hospitalisations in the Kimberley Health Region was significantly higher (4.29 times) than the rate in Western Australia.

Sources: 2011 Census; My School website, www.myschool.edu.au;
Government of Western Australia Drug and Alcohol Office website, www.dao.health.wa.gov.au.

Our vision

Our vision is for the Kimberley to have a thriving and sustainable values-based Indigenous cultural foundation, from which we:

- build Aboriginal enterprises that offer choices for our people to take up employment opportunities
- create wealth and wellbeing for our community
- achieve positive social reform across the region, in which
 - » Culture is strong, celebrated and maintained.
 - » Adults participate in training and work.
 - » Children are school ready, on time and attend school.
 - » Children and the vulnerable are cared for and safe.
 - » People do not commit crimes and they look after their homes.

Culture is at our core. Rarely, if ever, is our Aboriginal culture considered when governments design, develop and deliver policy and services for the West Kimberley.

Empowered Communities for the West Kimberley also means not having to retrofit our ideas to the government of the day's priorities. We know what needs to be done. We know how to do it. We need to be empowered so that services and supports are designed, developed and delivered by our mob, with our mob, for our mob. Indigenous-led responsibility is the first principle for Empowered Communities because we know that ultimately we are the ones who can achieve what successive governments have failed to achieve in decades. This principle is not negotiable.

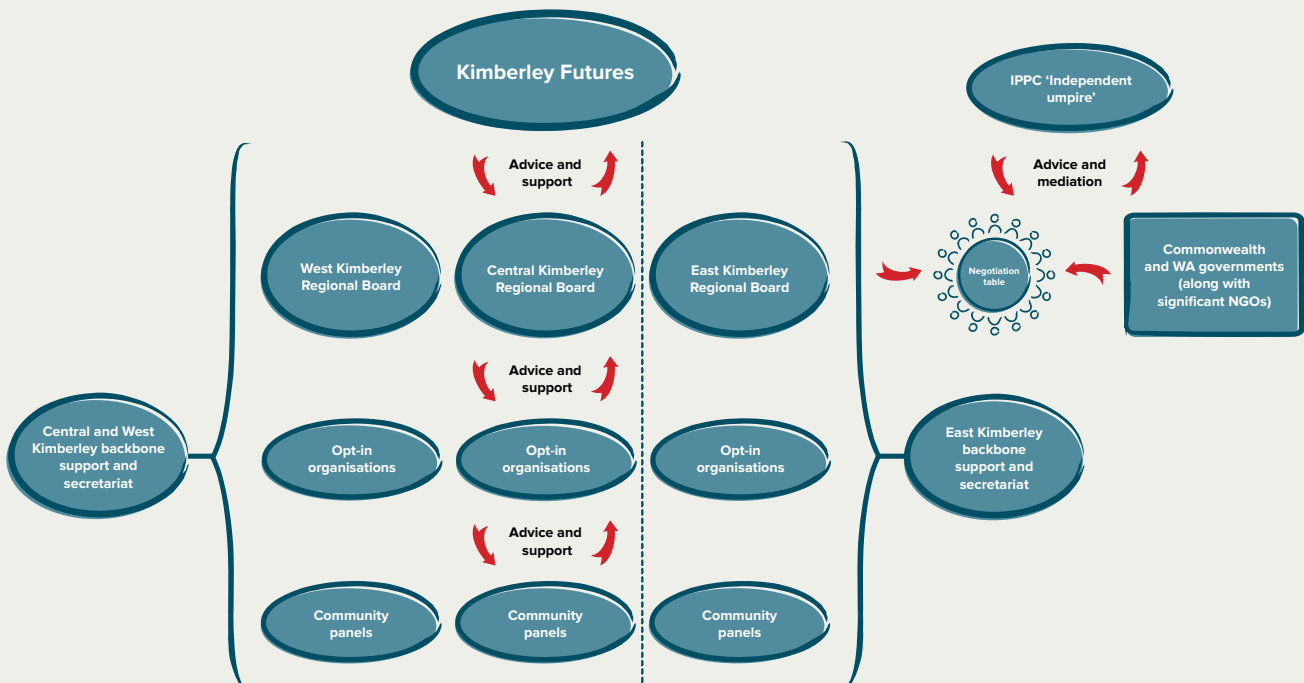
Nor do we want to repeat the mistakes of the past. That is why the Empowered Communities model will not be imposed on any organisation. Participation must be by opting in; the choice to participate is critical to ensuring that those organisations and communities that are involved in Empowered Communities do so with free, prior and informed consent.

Funding for programs must be based on outcomes, with communities given flexibility to innovate and do things better, and with incentives for individuals, families and organisations to change behaviours.

Innovation and the ability to take managed risks and learn from them, as well as robust performance measurement and sharing of best practice, need to be built into the Empowered Communities framework.

Governance structure—how we will achieve our vision

Figure 2.14: Governance structure



Kimberley Futures

Kimberley Futures will represent all Kimberley Aboriginal people in the strategic development of the region and the interests of its communities and people.

Composition

Kimberley Futures will comprise strategic Indigenous leaders with two members appointed from each of the Empowered Communities boards. It will also have two independent board members (who may be non-Indigenous) with specific skills, such as in finance, policy or strategic leadership.

Role

Kimberley Futures will:

- set the strategic direction for the Kimberley by developing a 10-year strategic plan
- drive policy and legislative reforms at the regional, state and national levels
- provide an interface for corporate supporters and investors in the Kimberley.

Kimberley Empowered Communities boards

Composition

Each board will consist of up to four Indigenous leaders who are recognised strategic thinkers and who will be representative of the broader community in either Central Kimberley (Fitzroy Valley and Derby) or West Kimberley (Broome, Bidjyangana and Dampier Peninsula).¹⁵

Role

The boards will:

- make decisions about Empowered Communities in their region
- work with communities to determine the membership and process for community panels
- collaborate with other Empowered Communities boards and Kimberley Futures on Kimberley-wide initiatives and strategic planning
- measure the regional impact of programs and services and engage with government on funding decisions.

Opt-in organisations

Criteria

Opt-in organisations will be majority Aboriginal-owned and will ‘walk the talk’ of reform.

Leadership must be strong and be able to demonstrate cultural authority within solid governance practices—beyond the standards of the Australian Securities and Investments Commission or the Office of the Registrar of Indigenous Corporations.

Organisations must have a track record of delivering positive change, be innovative and be prepared to do things differently according to community needs and with a focus on families and individuals.

Role

Opt-in organisations will sign a memorandum of understanding that ensures clear accountability and transparency. They will provide services aligned with the Empowered Communities values and aim to leave a legacy beyond their remit and the contract expiry date.

¹⁵ Each board will be established independently and therefore not necessarily at the same time.

Community panels

Criteria

Each community that chooses to opt in to Empowered Communities will be required to establish a community panel. The panel will consist of three or four members.

Panel members will be chosen for their links within the community and must demonstrate their personal commitment to the West Kimberley Empowered Communities vision.

Role

The community panels will:

- identify community needs and define the requirements for response
- develop and implement a long-term community plan and an effective communications strategy to obtain buy-in and support from community and service providers
- monitor service delivery performance and community progress—with performance measures set by the community, not by government.

The panels will have the authority to enforce values and reward progress. They will also:

- manage communications to and from the regional board and backbone organisation
- collaborate with other services and ensure that a rigorous engagement process is developed and adhered to by their staff.

Backbone organisation—Kimberley Land Council

Composition

Bringing strategic leadership and cultural authority, the Kimberley Land Council will manage and oversee a small dedicated team of professionals who will facilitate and administer planning and governance policies, processes and procedures.

Role

The backbone organisation will:

- lead the development of the governance model
- provide administrative support—planning, coordination, meetings and record management
- coordinate and negotiate with opt-in organisations
- undertake research and policy development
- validate performance with communities.



Walaalakoo Wirriya Warrngara Festival, Jarlmatangah Burru Community.

Kimberley Land Council

Appendix A: Empowered Communities Steering Committee

The Empowered Communities Steering Committee met for the first time in February 2014. Its original members were:

Noel Pearson, Co-Chair

(Cape York Partnership, Queensland)

Liza Carroll, Co-Chair

(Department of the Prime Minister and Cabinet)

Sean Gordon

(Darkinjung Local Aboriginal Land Council, New South Wales)

Ian Trust

(Wunan Foundaion, Western Australia)

Denise Bowden

(Yothu Yindi Foundation, Northern Territory)

Paul Briggs

(Kaiela Institute, Victoria)

Michael Rose

(Allens and Business Council of Australia)

Karyn Baylis

(Jawun Indigenous Corporate Partnerships)

Brian Hartzer

(Australian Financial Services, Westpac)

David Tune

(Department of Finance) (later replaced by Jane Halton)

Finn Pratt

(Department of Social Services)

Jon Grayson and James Purtill

(Department of the Premier and Cabinet, Queensland)

Chris Eccles

(Department of Premier and Cabinet, New South Wales) (later replaced by Simon Smith and Blair Comley)

Cliff Weeks

(Department of Aboriginal Affairs, Western Australia)

Robert Kendrick

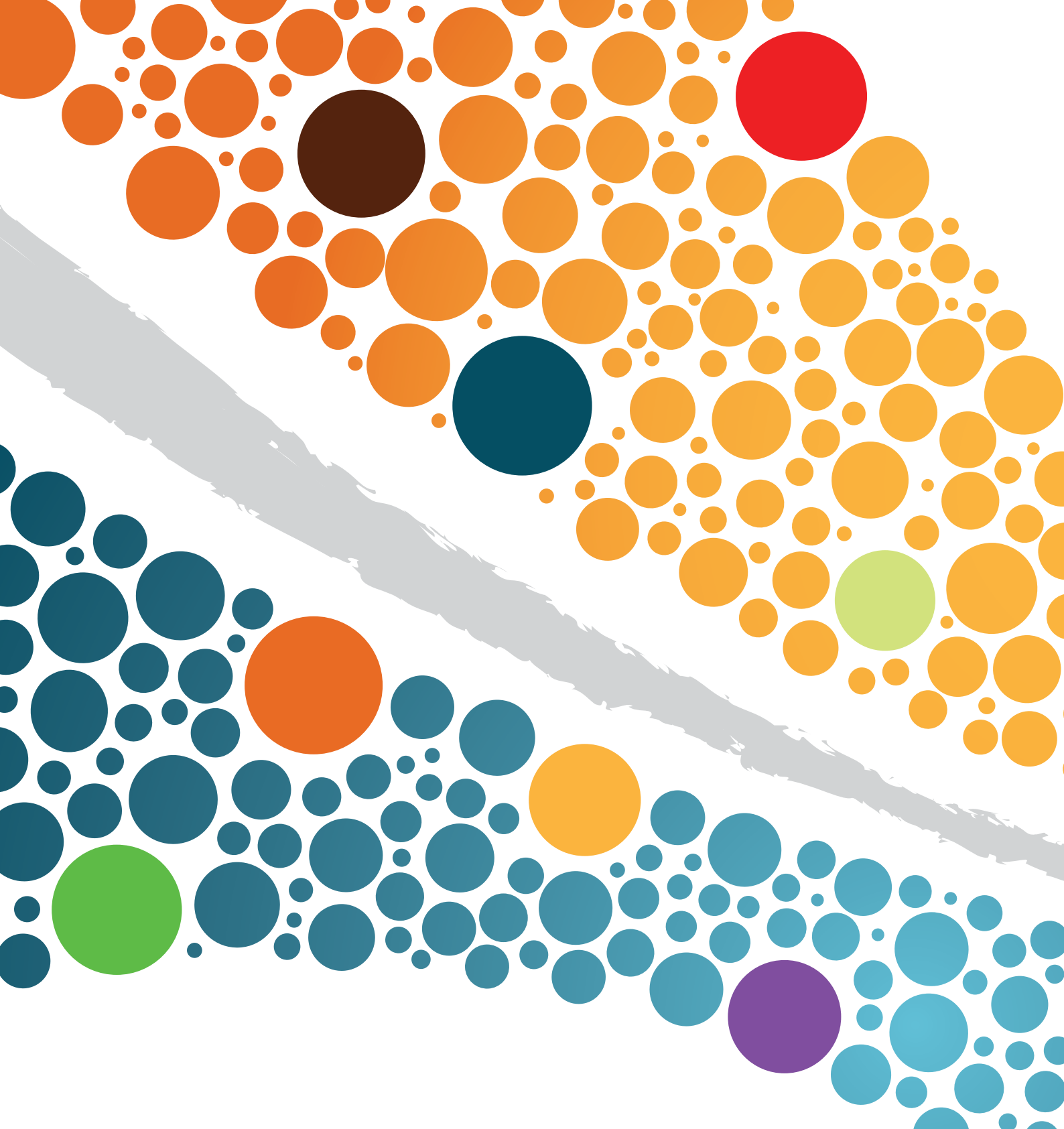
(Department of Community Services, Northern Territory) (later replaced by Michael Chiodo).

Professor Marcia Langton of the University of Melbourne has acted as special adviser to the co-chairs.





Travelling through the NPY Lands.



- CAPE YORK
- CENTRAL COAST, NEW SOUTH WALES
- EAST KIMBERLEY
- GOULBURN-MURRAY
- INNER SYDNEY
- NGAANYATJARRA PITJANTJATJARA YANKUNYTJATJARA LANDS
- NORTH-EAST ARNHEM LAND
- WEST KIMBERLEY