ACELG
Australian Centre of Excellence
for **Local Government**

LOCAL GOVERNMENT SERVICE DELIVERY TO REMOTE INDIGENOUS COMMUNITIES

Review of service delivery models and approaches in various jurisdictions

Report for Australian Centre of Excellence for Local Government

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Images courtesy of Thomas Michel

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Executive Summary

This report presents the findings of the first phase of an investigation into models for the funding and delivery of local government services in remote Indigenous communities in Australia. The study was undertaken by the Australian Centre of Excellence for Local Government (ACELG) in partnership with the Western Australian Department of Local Government (WADLG). This research reviewed and analysed models and approaches in various jurisdictions across Australia and elsewhere to identify key principles and success factors underpinning leading practices and innovative solutions to current challenges in service delivery. A case study approach was used employing a combination of desktop research and telephone interviews with selected policymakers and practitioners. This was complemented by a review of current academic and policy literature on remote service delivery. Six case studies were chosen for in-depth investigation based on their potential to yield valuable information that could be used to design future funding and service delivery models.

A set of guiding principles critical to the design of any model for funding and delivering local government services to remote Indigenous communities was formulated from a synthesis of the case study learnings and literature review. The principles highlight the importance of: benchmarking service delivery against mainstream standards; balancing the costs and benefits of regionalised and community-based delivery models; avoiding undermining Indigenous community governance; innovating to achieve better place-based coordination of the many stakeholders; meeting the challenges of sustainable resourcing; and enhancing local employment and economic development outcomes for Indigenous communities.

These research findings provide an evidence base that can benefit practitioners, policymakers and researchers alike. The information and analysis will not only inform jurisdictions involved in the process of transitioning the responsibility for municipal service delivery in remote Indigenous communities from the Commonwealth to local governments, but also provides helpful insights for those jurisdictions focussing on improving local government service delivery in remote Indigenous communities.

List of acronyms

ALC	Anindilyakwa Land Council, NT
APY	Anangu Pitjantjatjara Yankunytjatjara (South Australia)
CDEP	Community Development Employment Projects
CDU	Charles Darwin University, NT
CLC	Central Land Council, NT
COAG	Council of Australian Governments
CTC	Council of Territory Cooperation (comprises members of NT Legislative Assembly)
DKCRC	Desert Knowledge Cooperative Research Centre
EASC	East Arnhem Shire Council
FAG	Financial Assistance Grant (from Local Government Grants Commissions)
GBM	Government Business Manager (Commonwealth Government)
GEMCO	Groote Eylandt Mining Company (part of BHP Billiton)
LIP	Local Implementation Plan
MUNS	Municipal Services funding (Commonwealth Government)
NGO	Non-government organisation
NPA	National Partnership Agreement (COAG)
NSW	New South Wales
NT	Northern Territory
NTER	Northern Territory Emergency Response ('the Intervention')
ROC	Regional Operations Centre (combined State/Territory/Commonwealth Government)
RSD Communities	29 Remote Service Delivery communities identified under the National Partnership Agreement for Remote Service Delivery
RSD NPA	National Partnership Agreement on Remote Service Delivery
RPA	Regional Partnership Agreement
SA	South Australia
SGFA	State Government Financial Aid grants to Indigenous councils (Queensland)
WA	Western Australia

1. Introduction

1.1 Background

In March 2011, the Australian Centre of Excellence for Local Government (ACELG) released its *Capacity-Building Strategy for Rural-Remote and Indigenous Local Government*. The Strategy forms the centrepiece of one of the ACELG's six program areas, the Rural-Remote and Indigenous Local Government Program. One of the 10 strategic priorities identified by the strategy is the delivery of local government services to remote Indigenous communities. A plan of action for the strategy included the need to undertake research on current service delivery models and funding options being implemented in relation to local government services in remote Indigenous communities.

In early 2011, the Department of Local Government (DLG) in Western Australia (WA) approached ACELG seeking research assistance that was closely aligned with the aspect of the ACELG Capacity-Building Strategy that is focused on reviewing local government service delivery models. Since the 2006 Bilateral Agreement on Indigenous Affairs, the WA Government has been engaged in negotiations with the Commonwealth Government about the transition of responsibility for local government service delivery in remote Indigenous communities from the Commonwealth to local governments. To assist it in these negotiations, the Department sought ACELG's assistance to undertake research regarding suitable funding structures or funding options to enable this transition to occur. The research was intended to provide a starting point for discussions between all the parties (local governments, the State Government, the Commonwealth Government and Indigenous communities).

ACELG agreed with the WA Government to co-fund the research, with ACELG supporting the first phase of the research – a review and analysis of models and approaches for local government service delivery in Indigenous communities in various jurisdictions across Australia. The WA Government funded the subsequent phases of the research, which involved mapping of current responsibilities for delivery of local government services to WA Indigenous communities and formulation of conceptual models and funding options for consideration in the WA reform process.

1.2 Purpose of this report

The purpose of this document is to report on the findings of the review and analysis of models and approaches for local government service delivery in Indigenous communities in various jurisdictions across Australia. In late 2011, this analysis provided the foundation for the further work that ACELG undertook for the WA Government on scoping future options specific to that jurisdiction. As well as informing the WA transition process, it is intended that this report will provide useful, up to date information and analysis for practitioners and researchers in other jurisdictions who are focusing on improving local government services in remote Indigenous communities. Through the analysis of the case studies, the research has attempted to elicit some guiding principles that might be taken into account in the future design or reform of service delivery and funding models for remote Indigenous communities. Through research such as this, ACELG's *Capacity-Building Strategy for Rural-Remote and Indigenous Local Government* aims to provide an evidence base for improving policy-making and practice in all Australian jurisdictions.

1.3 Research method

Focus questions

For the review of current models and approaches for local government service delivery, the research team was guided by a set of fundamental questions that can be used to unpack the salient features of any service delivery model. In any model for funding and delivering services to Indigenous communities, there are four fundamental questions:

- what range and standard of services are delivered?

- who pays for the services?
  (i.e. what is the source of funding for each of the services to be delivered to the required standard?)

- who governs the services?
  (i.e. who will plan and make the strategic decisions [and hold ultimate accountability] relating to the delivery of the services, and who will manage the overall delivery?)

- who delivers the services on the ground?
  (i.e. who will undertake the day to day management and delivery of the services?)

Under these broad themes, the research sought to investigate more specific aspects of the case studies, including issues such as:

- the impact of contextual factors on local government service delivery, such as land tenure and legislative barriers;

- specific modes for delivery of services, including use of staff based in regional towns, contractors, or local community staff;

- benchmarking of standards of services against accepted standards or mainstream towns;

- funding of services, including formulae for calculating cost of services;

- 'user pays' contribution by residents to delivery of services in remote communities, through rates, rate equivalents or other taxes or charges;

- governance of service delivery, including the relationship between local government service governance and broader community governance and administration functions;

- coordination and joint planning of service delivery between various levels of government;

- the potential contribution to local government service delivery by the private sector, especially resource companies;

- capacity-building for better service delivery;

- what works and what doesn't work in improving service delivery.

Case study selection

The case studies were selected based on their potential to yield information that would shed light on these issues, especially where innovative approaches had been implemented. In selecting the case studies, the research team relied on a combination of its own knowledge base and consultation with other practitioners and researchers within ACELG's network. The following case studies are summarised in Part 2 of the report:

- Northern Territory Shires;
- Groote Eylandt Regional Partnership Agreement;
- Shire of Ngaanyatjarraku;
- Queensland Indigenous Councils;
- Anangu Pitjantjatjara Yankunytjatjara (APY) Lands;
- Water and sewerage delivery in New South Wales remote Indigenous communities.

For some case studies, the entire model of service delivery was of interest, while for others, the research focused on a particular issue, such as the mechanisms for government coordination (in the case of the Groote Eylandt Regional Partnership Agreement) or the proposals for reform (in the case of the Anangu Pitjantjatjara Yankunytjatjara Lands). A case study of local government service delivery to the Alice Springs Town Camps was not included in the final report due to the scarcity of available reported information and the limited value of the case study's findings in drawing out broader principles for design of service delivery models.

Information sources
The case studies were conducted principally as desktop research, involving a review of government reports, public information about programs and initiatives, academic research papers and available local organisational information such as annual reports, service plans and meeting minutes. For some case studies, conclusions drawn from the available public material were tested through selected phone interviews with key policymakers or practitioners. These interviews also provided an opportunity to elicit up to date information on recent developments. Drafts of the report were circulated for comment to ACELG's Rural-Remote and Indigenous Local Government National Reference Group. This group comprises representatives of local government associations, government agencies, professional associations and academia.[1] Substantial changes were made to previous drafts of the report as a result of feedback from members of this group.

The intent of the research was not to undertake substantial new data collection or conduct in-depth evaluations in relation to the selected case studies. The analysis relied on the range of currently available reports, evaluations and other information sources.

The objective was to document the key features of each model under investigation (in terms of the abovementioned focus areas around delivery, funding and governance of services) in order to draw some conclusions regarding what the case study reveals about the design of successful models for delivering local government services to remote Indigenous communities. By comparing the findings across the case studies, the study sought to identify a set of more broadly applicable guiding principles for the design of service delivery models.

The case studies were complemented by a review of the recent academic and policy literature regarding service delivery in remote Indigenous communities. This literature provided important context to frame the analysis of the case studies. It also enabled a comparison between the guiding principles that emerged from the analysis and the themes from the existing literature.

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[1] Further information about the reference group can be found at: http://www.acelg.org.au/program-details.php?pid=5.

Limitations

The main limitations of the research arise from the fact that, as principally desktop research, it was dependent on the currently available information about the models under investigation. In some cases, there had been little evaluation of the model being studied and where internal government evaluations had been undertaken, agencies were not necessarily prepared to share the findings. Furthermore, because publicly available information is mostly produced by Government agencies or academic researchers, Indigenous community perspectives on service delivery models can be hard to source. The researchers sought to address this imbalance by seeking published information about consultations with Indigenous communities along with the published reports, newsletters or minutes of Indigenous representative bodies. For example, in relation to the Northern Territory local government reforms, the Council of Territory Cooperation (CTC) reported on public hearings in Indigenous communities in 2010 and 2011 and the Central Land Council reported on consultations in several Indigenous communities regarding the implementation of the reforms. In South Australia, newsletters from Indigenous service providers and board minutes from the regional Indigenous governing body provided insights on Indigenous perspectives about reforms in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. Nevertheless, this research confirmed the observation of many previous reports that there is a clear need for better evaluations of models for delivering local government services to Indigenous communities, especially through processes that capture Indigenous perspectives.

1.4 Definition of local government services

The range of services that are considered to be 'local government services' differs across Australian jurisdictions. Because the research was intended to inform developments in the WA context, a primary focus was on the delivery of what are typically considered to be local government services in the WA context. Under the WA Government's current framework for scoping and costing local government services in remote Indigenous communities, the following services are included:

- The primary "local government" services are defined as:

  - Waste collection and disposal, separation and recycling, and landfill management;
  - Community management, administration and governance, including HR functions;
  - Maintenance and upgrades of access roads;
  - Maintenance and upgrades of internal community roads, including footpaths, verge maintenance, drainage and road signage;
  - Street lighting;
  - Environmental health programs (including animal welfare and control, food preparation and handling, monitoring of wastewater systems, dust control and landscaping);
  - Town planning and building controls;
  - Cemetery management;
  - Maintenance of community airstrips and barge/jetty landings;
  - Maintenance and upgrade of local government controlled buildings, facilities, ovals and playgrounds, fixed assets, incorporating fleet and plant management; and
  - Emergency management including cyclone preparations and clean-ups and fire prevention.

- The secondary "local government" services are:

  - Aged and disabled services;

  - Library services;

  - Community development programs; and

  - Maintenance and upgrades of parks and open spaces.

In WA, local government services do not include the supply of housing, water, sewerage, electricity or capital construction. However, water and sewerage are key local government service responsibilities in some other jurisdictions. Therefore, a case study of the delivery of these services was also included, concerning the New South Wales Aboriginal Communities Water and Sewerage Program.

2. Case studies

2.1 Northern Territory Shires

The establishment of the new Northern Territory Shires is a radical experiment in the delivery of local government services to remote Indigenous communities. It is the most significant example of a model that seeks improved outcomes by transferring service delivery and governance responsibility from local communities to a regional governance structure and service provider.

Context

On 1 July 2008, the Northern Territory (NT) Government amalgamated 51 community government councils operating in remote Indigenous communities, along with the Jabiru Town Council and Tennant Creek Shire Council, into eight new Shire Councils. The new Shires cover large regions and have their central administrations in regional centres or larger towns. They are: Barkly Shire Council, Central Desert Shire Council, East Arnhem Shire Council, MacDonnell Shire Council, Roper Gulf Shire Council, Tiwi Islands Shire Council, Victoria Daly Shire Council and West Arnhem Shire Council. These shires cover a combined population of about 50,000 people, of whom 85% are Indigenous (Michel, Gerritsen, and Thynne 2010, p.7).

This reform was intended to address what the NT Government believed to be systemic problems with the financial sustainability and service delivery capacity of the community-based councils that had operated in remote communities since the late 1970s. The situation in remote Indigenous communities in the NT prior to 2008 has some analogies to the current model of local government service delivery in remote communities of WA. Local government services in the NT were delivered by the local community councils, most of which operated under the NT Local Government Act 1978, but some of which were merely incorporated associations funded to deliver municipal (and other) services, much like the community councils in remote WA.[2] The incorporation of remote NT communities into Shire Councils that deliver services to a number of communities across a region is analogous to what is being proposed in WA. In WA, existing Shire Councils are being asked to take over responsibility for delivering local government services to remote Indigenous communities within the Shire boundaries, a responsibility previously held mostly by local organisations within each of the communities. Given the broad parallels, there are lessons from the NT local government reform process that will be relevant to the proposed WA transition. The introduction of the NT Shires is a reform that is also being monitored closely in other jurisdictions by those with an interest in improving services in remote Indigenous communities.

Service delivery

Range of services

The new Shires were required to develop Business Plans that included delivery of the following 'core services':

1. administration of local boards, advisory boards and management committees;
2. administration of local laws;
3. advocacy and representation on local and regional issues;
4. asset management;

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[2] Unlike the WA community councils, however, the NT incorporated associations were mostly recognised as local governments for the purposes of Financial Assistance Grants.

5. cemetery management;
6. civic cultural and sporting events;
7. companion animal welfare and control;
8. council planning and reporting;
9. customer relationship management;
10. financial management;
11. fleet and plant management;
12. governance;
13. human resource management;
14. information technology and communications;
15. library and cultural heritage;
16. lighting for public safety including street lighting;
17. local emergency management;
18. local road maintenance;
19. local road upgrade and construction;
20. maintenance and upgrade of council controlled buildings, facilities and fixed assets;
21. maintenance and upgrade of council controlled parks, reserves and open spaces;
22. public and corporate relations;
23. records management;
24. revenue growth;
25. risk management;
26. traffic management on local roads;
27. training and employment of local people in council operations;
28. waste management (including litter reduction); and
29. weed control and fire hazard reduction.

In their Business Plans, the Shires could also include:

- 'Commercial Services', which are services undertaken on a full commercial basis with the intention of using profits to improve services (e.g. housing management, post office agency, power, visitor accommodation etc.);

- 'Agency Services', which are delivered subject to ongoing negotiation with relevant government agencies and funding provision (e.g. safe house, family programs, environmental health, aged care, airstrips etc.); and

- 'Other Council Services', which the council chooses to deliver from its own source revenue (e.g. swimming pools).

Mode of service delivery
The mode of delivery of these services necessarily changed following the transition from community councils to the regional Shire Councils. It quickly became apparent to the Shires that many services had been delivered in different ways and to different standards by the previous councils, so introducing uniformity has been a challenge (Elvin 2009, p.14). To pursue efficiencies, some Shires have moved to hub and spoke models involving regional depots and mobile service crews (Michel, Gerritsen, and Thynne 2010, p.13). However, expectations that the Shires could achieve economies of scale by sharing assets and equipment across communities may have been optimistic, as the large distances between locations make this logistically very difficult.

The local coordination of local government services in each Indigenous community was retained by converting the former CEO positions of the community councils into new Shire Services Manager positions in each community. In practice, few of the individuals in the former CEO positions transitioned across to the Shire Services Manager positions, leading some observers to express concerns about the loss of community service delivery knowledge and local relationships during the reforms (Central Land Council 2010, p.41). On the other hand, the formation of the Shires has enabled the attraction of more qualified and experienced managers to work at higher levels of the organisation.

For the most part, the local community councils have been wound up and their local government service delivery staff have transitioned across to the Shires' workforce, although some Shires have subcontracted services back to community-based organisations (for example, MacDonnell Shire uses a community organisation at Kintore). Some Shires have been able to subcontract maintenance work on roads to outstation resource agencies that employ local Indigenous people. In some cases, however, the advent of the Shires has meant an increase in the use of outside contractors to deliver services into Indigenous communities, which has attracted criticism from Indigenous residents concerned about the impact on local employment (Coordinator General for Remote Indigenous Services 2009, p.98).

As part of the reform process, the NT Government sought to address the perennial service delivery problems in the areas of financial management, information technology (IT) and administration in remote Indigenous communities. The creation of the Shires provided an opportunity to centralise these services in a shared services hub in Darwin, known as CouncilBIZ. This initiative was beset by problems, however, with the finance software unable to generate up-to-date financial reports for the Shires for a considerable period after their establishment (Tiley and Dollery 2010, p.20). Although it was intended that Shires would be locked into the service for at least 5 years, some Shires have already withdrawn from CouncilBIZ.

Local employment

One of the stated benefits of the local government reforms in the NT was that there would be greater employment in real jobs than under the previous arrangements. Indeed, research by Charles Darwin University (CDU) found that local government employment in the affected areas increased from 1,657 positions in 2008 before the Shires were created, to 2,269 in 2009 under the new Shires, an increase of 37% or 612 positions (Michel, Gerritsen, and Thynne 2010, p.25). The research estimates that the employment growth resulted from the following factors:

- about 250-300 new positions created by the conversion of CDEP positions performing local government functions to waged employee positions under the Shires, using Commonwealth funding;

- 150-250 new positions funded under Northern Territory Emergency Response (NTER) night patrol funding;

- 50-100 new staff employed as a result of the greater organisational capacity of Shires to fill positions and retain staff;

- 25-50 new positions created as a result of organisational needs arising from the Shires' regional structure that were not applicable to the community council regime – specifically,

the need for (a) regional service positions covering large areas, and (b) new positions in centralised headquarters, such as the CEO, Directors of Technical, Infrastructure, Community and Corporate Services (Michel, Gerritsen and Thynne 2010, pp.25-26).

Although the creation of the Shires has meant the appointment of additional non-Indigenous professional staff in managerial positions, the proportion of Indigenous staff in the Shires is about 75% of the workforce (Michel, Gerritsen and Thynne 2010, p.25).

Despite the growth in employment under the Shires, the consultations by the Council of Territory Cooperation (CTC) revealed concerns in Indigenous communities that there were "less people employed by the Shire than were employed prior to local government reform" (Council of Territory Cooperation 2010, p.32). The President of MacDonnell Shire told the CTC that many of the community government council's employees lost their jobs following the local government reform (Michel, Gerritsen and Thynne 2010, p.31). The likely reason for the existence of a perception about job losses that is at odds with the figures about increased employment by the Shires is that community members have attributed the job losses resulting from the Commonwealth's reforms to CDEP to the local government reform process. It is difficult to disentangle these two parallel processes to arrive at an accurate picture about the real effect of the transition to the Shires on the employment of local Indigenous community members.

The third category of increased employment hypothesised by the CDU research above represents a potentially significant benefit of the reforms. The lack of organisational capacity of the former community councils, especially in the area of human resource management, meant that many positions remained unfilled for periods of time and turnover was frequent. CDU attributes improved filling of positions to the Shires' greater administrative capacity and economies of scope:

> Because each Shire now has dedicated human resources staff, regional support staff, industry-standard codes of conduct, standardised pay and entitlement conditions, training opportunities and more professional corporate service functions, there is a greater organisational capacity to fill positions and retain staff (Michel, Gerritsen, and Thynne 2010, p.26).

Land tenure obstacles to service delivery

A significant service delivery challenge for the Shires in delivering services in remote Indigenous communities is the issue of land tenure. The fact that communities are located on Aboriginal Land Trust land restricts the capacity of Shires to operate facilities or maintain infrastructure or roads without first obtaining a leasehold interest or licence in relation to the land in question. There are efforts in train to address this problem through the Commonwealth assuming long-term head leases over Indigenous townships, enabling it to issue subleases to the Shires for local government service delivery purposes. However, this process has been contentious and only three township leases have been negotiated to date. Delivery of services to trust land by local governments has always been challenging in the NT due to a history of mistrust and competition between land councils and local governments.

Standards of service delivery and service planning

The NT Government has identified 21 'Growth Towns' throughout the eight Shires and appointed a Coordinator General for Remote Service (CGRS) to coordinate planning of services and measure progress against the national Closing the Gap targets in these locations. The driving mechanism is the

development of Local Implementation Plans (LIPs) in these locations, which map a baseline of the service and infrastructure standards and agree on and work towards desired standards over time.

Service delivery performance

There has been no evaluation of the quality of services delivered by the Shire Councils to date and how this compares to the performance of the community councils under the previous regime.[3] Preliminary ethnographic research in two of the Shires provides some evidence about the perceptions of residents about changes in the quality of services delivered (Michel, Gerritsen, and Thynne 2010, p.19). The research found that "most residents appear to perceive that service standards have remained consistent over time or have even marginally improved since the Shires were established" (Michel, Gerritsen and Thynne 2010, p.19).

Other anecdotal evidence about service delivery outcomes can be gleaned from public consultations undertaken by the Council of Territory Cooperation (CTC), comprising members of the NT Legislative Assembly. The Local Government Association of the Northern Territory (LGANT) advised the CTC that, as a result of lack of resources, the Shire Councils had difficulty providing adequate services in the following areas:

- Local Infrastructure:
  - maintenance and upgrade of council controlled buildings, facilities and fixed assets (including swimming pools and major plant and equipment);
  - local road upgrade and construction;

- Local Environmental Health:
  - companion animal welfare and control;

- Local Civic Services:
  - library and cultural heritage services;

- Community Engagement in Local Government:
  - training and employment of local people in council operations;
  - customer relationship management, including complaints and responses;

- Local Government Administration:
  - revenue growth;
  - IT and communications (Council of Territory Cooperation 2010, p.29).

Of course, these are services that the previous community councils also struggled to deliver, so this does not necessarily indicate a failing of the new Shire Council model. As the NT Grants Commission noted in 2008:

> *We know that most municipal councils in the NT are stressed, and we know that is even more the case with community government councils. It follows that the new shires will inherit all of the problems, and then some, of the community governments* (Northern Territory Grants Commission 2008, p.7).

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[3] The NT Government has advised that it will undertake a full evaluation after 5 years.

In relation to the Shires' administrative and financial performance, despite the initial problems with CouncilBIZ, LGANT believes there have been improvements:

> *LGANT CEO, Mr Tony Tapsell, said as a result of the shire amalgamations the shires are stronger financial organisations with additional capacity and systems that previous community government councils did not have. Although there have been some problems with the IT systems, they are integrated systems that were not there previously. This has helped to improve shires' administrative capacities* (Council of Territory Cooperation 2010, p.21).

Being able to attract a higher standard of Chief Executive Officers has been one of the benefits of the creation of the Shires. The Shires have, however, inherited many of the financial accountability difficulties that affected the former community councils. The transition to larger structures has not been the 'silver bullet' for fixing financial accountability problems that had been hoped for. Audit reports continue to find deficiencies in the Shires' financial management practices. It was perhaps inevitable that robust financial management systems would take time to develop given the need to establish entirely new Shire Councils under the reforms.

In terms of governance capacity, an expectation from the reforms was that the Shires would be able to achieve a better quality of governance than the former community councils. Interviews with NT Government staff indicate, however, that governance has remained a significant problem within the Shires. Key problems are councillors not understanding the role of councils and Shire staff, conflict of interest issues, and the challenges arising where councillors are also employees of the Shire. The NT Government has placed an emphasis on governance training and development, and LGANT is delivering training for Shires in this area.

Funding model

Revenue sources

The NT Shires receive almost all of their revenue from either government grants or fees for delivering programs and services funded by government. In contrast to urban councils, only about 3% of the eight regional Shires' revenue is from rates (Council of Territory Cooperation 2010, p.25).

The Shires' grants revenue is drawn from a wide array of government sources, split between the NT Government and the Commonwealth Government. Little of the funding is untied operational funding – the bulk is comprised of dozens of ad hoc grants for specific purposes. This funding model creates significant administrative complexity for the Shires in having to administer a large number of grants with different reporting and acquittal requirements and different funding periods. On the urging of the NT Coordinator General for Remote Services, the NT Government is looking at how these funding processes can be rationalised to reduce red tape and the administrative burden on the Shires.

The Shires receive Financial Assistance Grants (FAGs) from the NT Grants Commission under the Commonwealth framework for equalising funding assistance to local governments. Following the establishment of the Shires, the NT Grants Commission's methodology was adjusted in a way that reduced the funding to NT municipal councils and increased the proportion of FAGs directed to remote communities,[4] although some of the Shires such as Tiwi Islands Shire Council received a reduced amount as a result of the changes (Council of Territory Cooperation 2010, p.25).

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[4] See http://www.grantscommission.nt.gov.au/methodology.

Concerns have repeatedly been raised about the Shires' lack of resources to undertake their full range of functions (Council of Territory Cooperation 2010, p.26; Northern Territory Coordinator General for Remote Services 2011, pp.47-54). The lack of funding for roads is a particular problem and Shires appear to have taken on responsibility for many roads without adequate funding to maintain them (Council of Territory Cooperation 2010, p.29). While the NT Government has looked into the revenue raising opportunities for Shires through conditional rating and Treasury loans (2010, pp.23-26), the sector seems to have placed hope in securing additional funding from the Commonwealth, especially roads funding, which has been identified as the highest priority under the Local Implementation Plans prepared for the 21 Growth Towns (2010, p.29).

In the past few years, the Shires' resources have been boosted by the Commonwealth Government's investments in programs such as Night Patrols under the NTER. With the conclusion of the funding for some of these programs imminent, Shires will suffer negative financial impacts in the next few years.

'User pays' contribution to services

With an average of only 3% of current revenue derived from rates, NT Shires are recouping limited funds from the recipients of their local government services. Section 142 of the NT *Local Government Act 2008* creates a power for local governments to raise rates from holders of pastoral leases and mining tenements, subject to Ministerial approval of the rating proposal.

In relation to residents of Indigenous communities, the move to the Shires combined with housing management reforms has provided opportunities for introducing a greater degree of 'user pays' into service delivery. While many former community councils raised some revenue from residents, this was typically a non-legislative 'poll tax' levied on each resident, rather than a rate on properties receiving local government services. From 1 May 2009, the responsibility for public housing stock in most Indigenous communities was taken over by Territory Housing. The Commonwealth and Territory Governments have agreed that the management authority for this housing (Territory Housing) should pay a 'rate equivalent' per dwelling, as is the case with public housing authorities in urban centres. As the 'landlord', the housing authority can recover the rate payments from the tenants through rent and tenancy management income. Thus, the extent to which this arrangement genuinely leads to 'user pays' will depend on the extent to which the authority is successful in collecting rent from residents that will cover the rate equivalent paid to the local government. It is understood that due to the Commonwealth Government taking 5-year leases over remote Indigenous communities under the NTER, the Commonwealth has been paying the rate equivalent on the public housing to date. This seems likely to require further negotiations when the Commonwealth leases end in 2012.

Because there is no unimproved capital value for the inalienable land tenure on Indigenous communities, the rate equivalent is calculated on the basis of a flat service charge per property. The NT Government has determined that the 'rate equivalent' for remote public housing will be $600 per dwelling per annum (Tiwi Islands Shire Council 2010, part 8). Where the Shire provides a garbage collection service, an additional charge of $150 per dwelling per annum will apply.

These arrangements provide an important new income stream for Shires to offset the cost of service delivery, but they clearly do not enable full cost recovery. Some Shires have sought to increase the service charges to government to better reflect the full cost of services. For example, the East Arnhem Shire Council has included a waste management charge of $1,442 per dwelling per annum in its 2011-12 schedule of rates, fees and charges. The Shire states that "the charges have been set in accordance with national local government industry benchmarks and practices, on a user pay basis and are reflective of the real cost of delivering services in the remotest parts of Australia" (East Arnhem Shire Council 2010).[5] The NT Government, however, is refusing to pay this higher amount and has indicated it will pay on the same basis as in previous years ($150, or 90% less than the Shire's proposed charge). The Shire has countered that the amount the Government wants to pay would cover the collection of garbage only once every 38 days in the nine communities within the Shire (East Arnhem Shire Council 2010). If it is required to pay the higher amount, the NT Government would have the option of offsetting this additional payment by reducing the operational grant to the Shire by an equivalent amount.

Governance

Shire model

The transition to the Shires meant the abolition of locally elected community councils and their replacement with Shire Councils of up to 12 elected councillors covering broad regions and multiple communities, in some cases including non-Indigenous towns. The Shire structures incorporate electoral wards, but not every community that previously had a community council now has a representative on the Shire Council. The electoral system used over-represents larger communities (Michel, Gerritsen, and Thynne 2010, p.13).

Local boards

In an attempt to ensure that each Indigenous community continued to have input into decision-making about local government services, the *Local Government Act 2008* introduced the concept of local boards. The legislation enables the Shire to establish local boards for particular areas or communities with membership comprised of any councillor for the ward covering the board's area along with residents of the area (or other persons) appointed by the Shire as it sees fit. The boards' functions are:

(a) to involve local communities more closely in issues related to local government; and

(b) to ensure that local communities are given an opportunity to express their opinions on questions affecting local government; and

(c) to allow local communities a voice in the formulation of policies for the locality as well as policies for the area and the region; and

(d) to take the views of local communities back to council and act as advocates on their behalf; and

(e) to contribute to the development of the relevant regional management plan and the relevant municipal or shire plan (section 52(1), *Local Government Act 2008*).

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[5] It is interesting to note that this is not dissimilar to the waste management charge of $1,018 per bin per year at the Mornington Shire Council, in a remote Indigenous community a few hundred kilometres to the east in Queensland.

There is scope for the Shire to delegate exercise of its functions in the area to a local board, but in practice the boards have operated only as advisory bodies – many Shires refer to them as 'Local Advisory Boards'. The boards therefore differ from the previous community councils in that they do not have decision-making power or financial delegations, the members are unpaid, and the membership is appointed rather than elected (although some Shires appoint them based on elections).

The legislation is framed loosely in terms of the composition and operation of the boards to enable local circumstances to dictate their form. In some cases, the former community council members transitioned across to form the new local board. Some boards have been elected, while others are appointed by the Shire through some other nomination process. How often the boards meet differs between Shires, with some meeting monthly, some less frequently. The Act stipulates that board members are not remunerated for meetings, apart from out of pocket expenses.

The success of the implementation of the local board mechanism has been variable. The boards are well-established and functional in some Shires, while one Shire has not established any at all. The Central Land Council conducted research into community perceptions of the local boards in two Shires in 2009. The research found that despite the creation of the boards, most consulted community members "described having 'lost the voice of the community'" and "voiced concern about the lack of involvement of Aboriginal people in decisions and their ability to represent the community through local boards" (Central Land Council 2009, p.9). There was a strong sense that the Shire reforms had diminished community input into service delivery decisions:

> *All participants felt the community had less power and authority with local boards than with their previous community council. Participants discussed a more shared working relationship between Aboriginal people and staff from their previous community council* (Central Land Council 2009, p.9).

It should be noted that this research was undertaken in the early days of the implementation of the boards and at a time when many Indigenous residents were feeling disempowered by the government interventions through the NTER. More recent consultations by the CTC confirm, however, that perceptions of diminished community control as a result of the Shire reforms remain real:

> *As in other communities, the CTC was told by Hermannsburg community members there was a sense of loss of control in the community since local government reform, with little feedback from the local board. One community member said there is a growing sense of no-one listening to Aboriginal people* (Council of Territory Cooperation 2010, p.30).

The CLC research raised a number of issues with the operation of the local boards in the Central Desert communities in 2009, including:

- the process of selection of the board members was not well understood by the community;
- the researchers observed that the agenda for the board meetings was controlled by the Shire and the proceedings were highly formal, which did not give community members the opportunity to raise the issues of most concern or interest to them;
- board members did not feel that the Shire was responding adequately to the issues raised by them;

- many board meetings did not proceed due to a lack of quorum, and some board members were seeking to leave the board as they did not feel that they were able to contribute meaningfully;

- there were less whole-of-community meetings since the Shires were created, which means there is less knowledge by residents about what is happening in the community; and

- community members see inequities in the fact that they are not paid to attend board meetings, when Shire staff and councillors are.

A key difference between the previous community councils and the local boards is that the boards are focused entirely on local government business, whereas the community councils operated as a community governance structure providing advocacy across all issues that impacted the community. In terms of this broader community governance function, it is clear that the local boards have not substituted for the abolished community councils. The CLC research reported that "participants drew on their experiences of community council, who they described as playing an active role across the community in discussing broad community issues including education, health and other community priorities" (Central Land Council 2009, p.42). An Atitjere resident lamented that:

> It's hard for us to talk about the things we want for our community now. All those things that are important to people: housing, school, jobs for our young people. That was the council work (2009, pp.42-3).

The NT Government and the Commonwealth Government have recently commissioned an assessment of the local boards, but the report is not yet publicly available. It is understood that the report advocates for the local boards to perform the role of the sole community co-ordination and consultation forum across all community issues, not just Shire business.[6] It apparently also includes a proposal to create Capacity Development Officers to work with local boards.[7]

The NT Government seems to have recognised the importance of providing better support for the local boards. The Government's *Closing the Gap Program Guidelines* indicate that in 2010-11 and 2011-12, $1.7 million has been committed each year for the following purposes:

- establish and provide governance support to local boards ($700,000); and

- community infrastructure to support the local community and local boards ($1M) (Department of Housing Local Government and Regional Services 2010).

Inter-governmental coordination
The challenges of coordination between the multiple levels of government responsible for funding or delivering services is a significant issue in NT Indigenous communities as in other remote parts of Australia. Under the National Partnership Agreement on Remote Service Delivery (known as the 'RSD NPA'), the Commonwealth has agreed to work closely with the States and Territories to improve the coordination and delivery of services across 29 identified RSD communities in remote Australia. The key mechanisms for coordination are the appointment by the Commonwealth of Government Business Managers (GBMs) in each location and the joint negotiation of Local Implementation Plans (LIPs) for each community. There are 15 RSD communities in the NT, and the NT Government has

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[6] The East Arnhem Shire Council's draft response to the assessment notes that this may be contrary to section 51 of the *Local Government Act 2008,* which seems to focus the local boards' role on issues relating to local government (Council Agenda, 25 May 2011, accessed online at www.eastarnhem.net.au).
[7] This is mentioned in the East Arnhem Shire Council's draft response (see previous footnote).

added a further 6 communities included in its list of 'Growth Towns' as sites where LIPs will be developed.

The LIPs provide an opportunity for the NT Shires to coordinate their efforts with other levels of government under an agreed framework. The LIPs prepared to date in the NT appear to have reasonable involvement of the Shires and the schedule of agreed actions enable greater clarification of the accountability of the various levels of government for implementing activities that will address the identified gaps in services and programs for Indigenous communities. Some of the LIPs have been developed using the Shires' local boards as the community reference group for negotiations. The LIPs represent a promising model for improving the degree of coordination between levels of government and the Indigenous communities.

The GBMs, working in concert with joint Commonwealth-State/Territory Regional Operations Centres (ROCs), are an initiative to create a 'single government interface' in remote communities. The success of this attempt at improving coordination is still open to question. Research by the Desert Knowledge Cooperative Research Centre suggested that GBMs have strong potential to work across the government agency 'silos' and coordinate efforts but that this had not been realised because "GBMs were quick to reduce the scope of their coordinating role to Australian Government programs by abdicating any responsibility for state/territory government programs and those delivered by private enterprise and NGOs" (Moran *et al.* 2009, p.29). The CTC's public consultations also revealed concerns that "the role of the GBMs was not actually happening in the communities" and that "the role of GBMs has shifted from coordination to being a 'grants chaser' of what they think should happen rather than what the community wants" (Council of Territory Cooperation 2010, p.35).

Case study learnings

It is early days in the development of the new Shires and a full evaluation will be needed to gauge whether the reforms have really brought about the desired improvements in the delivery of local government services to remote NT communities. Nevertheless, the experience to date of the transition of local government service delivery responsibility from community councils to the new regional Shires in the NT holds a number of key lessons.

Firstly, the transition process highlights that an important issue to be managed during the move to a regionalised service delivery solution is the risk of undermining community governance capacity in remote communities and creating a sense that local communities have suffered a loss of local control. This has been a strong theme emerging from remote NT communities since the creation of the Shires. Some of this perception is no doubt tied up with the top-down interventions imposed by the Commonwealth Government as part of the NTER, but it is clear that the transition of authority and resources from local organisations to Shires based in regional centres has exacerbated these feelings. In research by Charles Darwin University, "the complaints most commonly raised by community residents generally concerned issues of governance and communication. Many residents expressed sentiments of loss of community control and ownership over local government institutions and resources, and a lack of effective communication and responsiveness from senior Shire management and headquarters staff" (Michel, Gerritsen and Thynne 2010, p.19). The words of a Yuendumu resident recorded in research by the Central Land Council exemplified this feeling:

See when we had our community and committee meetings everything that we ran was here. There was a power and a voice in that. Organisations had power. Soon as the shire came in, they broke us. That is why the voice isn't on the table anymore. They can have the board through the shire, but they don't have the power to make it happen because it all comes from the top (Central Land Council 2010, p.33).

Following its public consultations in remote communities, the Council of Territory Cooperation made the following observation:

The CTC agrees that reform needed to happen in the Territory's local governments but is disappointed by the demise of community government councils and other incorporated council associations that were working. These bodies gave communities a sense of ownership and community. Ms Moir [LGANT President] said she thinks the sense of community is one of the major things that need to be addressed because feedback suggests one of the affects of the amalgamations is that people can no longer run their own services in their own way (2010, p.22).

A sense of diminished local community control and input into service delivery is perhaps an inevitable consequence of an amalgamation or regionalisation process that shifts responsibility from local councils to regional-scale local governments. This issue has been common to all local government amalgamation processes across Australia. In remote Indigenous communities, however, there is heightened level of sensitivity to such changes as a result of the history of relations between governments and Indigenous Australians. Even if regionalising service delivery results in better local government services, many Indigenous residents may view such reforms as winding back hard-won rights to self-determination or self-management and a return to the intrusive external control of their lives that characterised the period up until the 1970s. To address this issue, it is crucial that reforms to regionalise service delivery provide avenues for meaningful local participation in governance of services through mechanisms such as local boards and robust community engagement practices.

A second lesson from the NT reforms is that there is no quick fix in improving the delivery of local government services in remote communities or the standards of governance and financial management of the organisations tasked with service delivery. Whilst it must be recognised that the Shires are still emerging from their establishment phase, clear evidence is yet to emerge that the standard of local government services in remote NT communities has improved by a substantial degree, and pre-existing governance and financial management difficulties persist. However, there is optimism that the Shires have created a sound organisational foundation and are slowly building the local capacity for sustainable improvements in the years to come. For example, the establishment of robust human resource management systems appears to have had positive employment outcomes and research elsewhere has shown this to be an important, but underrated, foundation for the performance of Indigenous governments (Limerick 2009). Current work by LGANT to assist Shires with workforce planning will further enhance their capacity to recruit, train and retain local Indigenous staff.

Thirdly, the NT experience reinforces that sustainable improvements in local government service delivery will not be achieved purely by structural reforms such as regionalisation, while fundamental issues of under-resourcing for the range of core services have not been resolved. Regionalisation will not necessarily create economies of scale and scope that will enable quantum improvements in service delivery when the new regional governing bodies are inheriting substandard assets and service delivery responsibilities that are beyond the available funds.

Finally, the NT experience further reinforces the now almost trite recognition that service delivery in remote Indigenous communities is in need of far better coordination between the different levels of government. The complex, labyrinthine funding and program arrangements that have evolved in the hyperactive policy environment of the past three decades of Indigenous affairs will take some untangling in order to settle on an optimal framework for delivery of services to remote Indigenous communities.

2.2   Groote Eylandt Regional Partnership Agreement

The Groote Eylandt Regional Partnership Agreement exemplifies a place-based model to improve coordination between the myriad parties involved in the delivery of services to remote Indigenous communities. Although the focus is broader than local government services, the regional partnership agreement approach may hold lessons for the local government sphere. Significantly, it is a mechanism that can leverage contributions to service delivery by non-Government stakeholders, such as resource companies and Indigenous land holding or economic development organisations.

Context

Groote Eylandt[8]

Groote Eylandt, together with Bickerton Island and a few smaller satellite islands, forms the Anindilyakwa Ward of East Arnhem Shire. The East Arnhem Shire Council (EASC) was established during the Northern Territory local government reforms of 2008.

Groote Eylandt archipelago is situated in the Gulf of Carpentaria, approximately 640km east of Darwin and about 48km from the eastern coast of Arnhem Land. It covers an area of some 2260 square kilometres and is approximately 50 km from east to west and 60 km from north to south.

Groote Eylandt comprises three Indigenous communities of Angurugu, Umbakumba, and Milyakburra (Bickerton Island). Outside the local government subdivision is the Groote Eylandt Mining Company (GEMCO) mining company town of Alyangula, which is an unincorporated area within the Northern Territory. Alyangula is the largest community and continues to grow due to the expansion of mining and several new enterprises.

The population of Groote Eylandt is estimated at 1,542 people, comprising around 43% Indigenous people. The traditional owners of Groote Eylandt are Warnindilyakwa, but are referred to by their language name Anindilyakwa. Anindilyakwa is the first language of nearly 31% of the population [1]. A breakdown of communities by population appears below:

Community	Population	% Indigenous
Angurugu	813	97%
Umbakumba	384	94%
Milyakburra (Bickerton Island)	110	91%
Alyangula	956	11%

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[8] Information drawn from Australian Bureau of Statistics 2006, ABS Census QuickStats - Groote Eylandt (local statistical area), http://www.censusdata.abs.gov.au/.

The GEMCO mine located on Groote Eylandt is a BHP Billiton subsidiary and produces more than 3.8 million tonnes of manganese annually (about a quarter of the world's total). The mine employs many Indigenous people and has a remaining life span of around 17 years.

Groote Eylandt was converted to Aboriginal freehold title land following the passing of the *Aboriginal Land Rights (NT) Act 1976* and forms part of the Arnhem Land Aboriginal Reserve. In 2008, the Anindilyakwa Land Trust entered into a township lease with the Commonwealth Government, for the communities of Angurugu, Umbakumba and Milyakburra. The head lease is for an initial period of 40 years with an option for a further 40 years, effectively bringing the total lease period to 80 years. In return, the government will provide additional funding to improve housing, education and health.

Groote Eylandt Regional Partnership Agreement

The Groote Eylandt and Bickerton Island Regional Partnership Agreement (RPA) Stage One was signed on 20 May 2008 by the Anindilyakwa Land Council (ALC), the Commonwealth Government and the NT Government. The Groote Eylandt and Bickerton Island Regional Partnership Agreement Stage Two was signed by the original parties, plus GEMCO and the EASC on 10 November 2009.

The RPA has been developed in the context of numerous other key Territory and Commonwealth Government reforms that have impacted on governance and service delivery arrangements for Indigenous communities in the Northern Territory, including the NTER, the National Indigenous Reform Agreement (and its associated National Partnership Agreements), and the NT local government reforms. Groote Eylandt is impacted by the RSD NPA because two of the Indigenous communities are designated RSD sites for this agreement.

The Groote Eylandt RPA was developed through close consultation between governments and Groote Eylandt communities, through the ALC. Its aim is to achieve sustainable and measurable improvements for people living in the Anindilyakwa region. It sets out how government, the community and GEMCO will work together to coordinate services and deliver initiatives in response to locally identified needs.

All parties have made significant contributions to the RPA, which represents well over $80 million of collective investment. In particular, the ALC has committed to projects totalling over $14 million to be provided from royalty equivalent income. GEMCO also has considerable financial commitments under the terms of the RPA.

The RPA represents a longstanding commitment for governments, the ALC, Groote Eylandt Mining Company and communities to work together in Angurugu. It incorporates the following principles:

- a recognition of the need for all parties to strengthen efforts to address the full extent of Indigenous disadvantage;
- a spirit of cooperation;
- partnership and shared responsibility;
- an acknowledgement of the need to build the economic independence of the people in the region;
- a focus on priorities agreed at the regional level;

- a willingness by government to be flexible and innovative;

- a commitment to improvements in accountability and performance monitoring by all parties;

- a desire to achieve clarity of responsibility for service delivery and increased effectiveness across the three levels of government;

- an understanding that greater certainty and stability in funding arrangements, including multiyear funding agreements, can facilitate more effective planning and service delivery mechanisms; and

- a recognition of the need to build capacity and strengthen governance.[9]

COAG agreed to six specific targets to close the gap in Indigenous disadvantage. These targets are underpinned by seven building blocks—priority areas where action is required. Improvements in one area will affect results in other areas. In signing the RPA Stage 2, the communities of Angurugu, Umbakumba and Milyakburra identified two additional areas where action is required to effect meaningful, long-term change: planning and infrastructure; and youth, sport and recreation.

Pursuant to the RSD NPA, Local Implementation Plans (LIPs) have been now developed for the two main communities of Angurugu and Umbakumba. These LIPs are based on the RPA and will allow the new COAG commitments to operate consistently with that framework. If there are any differences between the LIPs and the RPA, the RPA will prevail.

These LIPs will be managed slightly differently to those in other RSD communities. The Regional Partnership Committee will be the main monitoring and decision-making body, rather than the Northern Territory Remote Service Delivery Board of Management.

Service delivery

East Arnhem Shire Council
The East Arnhem Shire Council (EASC) has been tasked with the standard range of core local government services stipulated for the new NT shires under the 2008 local government reforms. The range of services undertaken by the Shires is summarised in the case study in Part 2.1.

As part of the reforms in 2008, the Shire took over responsibility for local government service delivery from the former community councils in the three Groote Eylandt Indigenous communities. The Shire established service delivery centres in each of the three communities and has a central administration office in Nhulunbuy. The make-up of the service delivery centres varies depending on identified needs, but includes as a minimum a Shire Services Manager, a Customer Service Officer, a Community Liaison Officer and operations staff (East Arnhem Shire Council 2010, pp.8-14).

Municipal service delivery commitments under the RPA and LIPs
Under the RPA Stage 2 finalised in 2009, each of the parties made a range of commitments to address the identified priorities for the Groote Eylandt communities. These commitments have now been incorporated into the LIPs for Angurugu and Umbakumba developed as part of the inter-governmental coordination process set out under the RSD NPA. The priority areas for the RPA and

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[9] See part 2.1 of the RPA at http://www.fahcsia.gov.au/sa/indigenous/progserv/families/rpa_groote_eylandt/ Pages/default.aspx.

LIPs cover the whole range of service needs for the communities, including some key local government services that require enhancement. The table below extracts all commitments relating to local government services from the RPA and LIPs.

Municipal Service / Infrastructure	Responsible Agency*	Funding Commitment (if known)	Source
Upgrade the road to Alyangula	GEMCO		Ministerial media release 10.11.2009
Provide support for the public jetty at Alangula in the form of rock for the jetty from GEMCO quarry	GEMCO		RPA
Build a public jetty in Umbakumba	GEMCO		Ministerial media release 10.11.2009
Install fluoride treatment plant for Angurugu water supply	Lead - GEBIE Supporting - DHF, EASC, GEMCO		Angurugu LIP
Develop Town Centre Urban Design Plan including community transport strategies	Lead - DLP Supporting - DCI, EASC		Angurugu LIP
Install Traffic Calming—safety signage, road safety awareness campaign	Lead - EASC Supporting - FaHCSIA,		Angurugu LIP
Detailed town planning study in consultation with OTL, EASC, GEMCO and ALC	Lead - DLP		Angurugu LIP
Town Plan (Area Plan and Zoning Map) approved by Minister	Lead - DLP		Angurugu LIP
Seal Angurugu to Umbakumba Road, including maximising local employment opportunities.	Lead - DLP Supporting - GEBIE, ABA	Aust Govt $9.5M ALC $5 M NT Govt $5.5 M In kind support by GEMCO & EASC as required	Angurugu LIP and Umbakumba LIP and RPA
Agree words for shire subleases regarding standards of service delivery	Lead - OTL, EASC		Angurugu LIP and Umbakumba LIP
Provide road maintenance for arterial roads across Groote Eylandt.	Lead - GEMCO	$50,000 per year	Angurugu LIP and Umbakumba LIP
Improve safety of Rowell Highway in consultation with traditional owners.	Lead - GEMCO		Angurugu LIP
Provide $250,000 for AFL club facilities in Angurugu and Umbakumba	Lead - GEBIE Supporting - OTL, AFL NT, EASC	$500,000 total	Angurugu LIP and Umbakumba LIP
Upgrade to youth facilities - recreation hall, basketball court	Lead - EASC Supporting - FaHCSIA,		Angurugu LIP
GEMCO to provide support to Umbakumba sports development (in kind)	Lead - GEMCO Supporting – EASC, DoHA	In-kind	RPA
$1 million for accommodation facilities at Angurugu aged and respite centre (subject to further discussions with stakeholders)	Lead - DoHA Supporting - GEBIE, EASC, DHF, OTL	$1 million	Angurugu LIP and Umbakumba LIP

Municipal Service / Infrastructure	Responsible Agency*	Funding Commitment (if known)	Source
Maintain an all hazard response plan for Angurugu and review or establish specific hazard response plans for the community (e.g. Cyclone Plan) as necessary. This will include ensuring adequate community education and preparedness (including public shelters where necessary) for known hazards	Lead - NTPFES Supporting - EASC		
Install fluoride treatment plant for Umbakumba water supply	Lead - GEBIE Supporting - DHF, EASC, GEMCO		Umbakumba LIP
Develop Town Centre Urban Design Plan including community transport strategies	Lead - DLP Supporting - DCI, EASC		Umbakumba LIP
Town Plan (Area Plan and Zoning Map) approved by Minister	Lead - DLP		Umbakumba LIP
Provide $100,000 for oval upgrade	Lead - EASC Supporting - FaHCSIA,	$100,000	Umbakumba LIP
EASC Council employs youth worker and trainees	Lead - EASC Supporting - FaHCSIA,		Umbakumba LIP
Upgrade to sport and recreation facilities – Umbakumba sports oval	Lead - EASC Supporting - FaHCSIA,		Umbakumba LIP
Establish a public cyclone shelter	Lead - DCI		Umbakumba LIP and Angurugu LIP
Establish and support NT Emergency Service volunteer units capable of reacting to known hazards for the community	Lead - NTPFES Supporting - EASC		Umbakumba LIP and Angurugu LIP
Maintain an all hazard response plan for Umbakumba and review or establish specific hazard response plans for the community (e.g. Cyclone Plan) as necessary. This will include ensuring adequate community education and preparedness (including public shelters where necessary) for known hazards	Lead - NTPFES Supporting - EASC		Umbakumba LIP

*Acronyms:

~ ABA: Aboriginal Benefits Account
~ AFL NT: Australian Football League, Northern Territory
~ DCI: Department of Construction and Infrastructure (NT)
~ DHF: Department of Health and Families (NT)
~ DLP: Department of Lands and Planning (NT)
~ EASC: East Arnhem Shire Council
~ FaHCSIA: Department of Families, Housing, Community services and Indigenous Affairs (Commonwealth)
~ GEBIE: Groote Eylandt and Bickerton Island Enterprises
~ GEMCO: Groote Eylandt Mining Company
~ NTPFES: Northern Territory Police Fire and Emergency (NT)
~ OTL: Office of Township Leasing (Commonwealth)

Capacity building support commitments under the RPA and LIPs

As mentioned above, a foundational principle for the RPA is "a recognition of the need to build capacity and strengthen governance" and under the LIP framework, "governance and leadership" is one of the standard priority areas for inclusion in every plan. Thus, the RPA and LIPs for Groote Eylandt contain a series of commitments by the parties aimed at building the capacity of the Indigenous community in terms of governance and leadership, as well as training and skills for participation in the wider economy.

The table below sets out the commitments in the Groote Eylandt RPA and the Angurugu and Umbakumba LIPs that support capacity building within the community. This includes employment and training initiatives as well as governance and leadership initiatives, all of which will have a positive impact on local capacity to sustain functional and well-managed communities.

Capacity Building Support	Responsible Agency*	Funding Commitment (if known)	Source
Minimum 20 per cent local employment in housing construction and maintenance	Lead - DHLGRS Supporting - FaHCSIA, ALC		Umbakumba LIP and Angurugu LIP
Creation of the Groote Eylandt and Bickerton Island Local Employment and Economic Development Board as a forum for all major employers in the region to share information and improve collaboration in enhancing sustainable employment outcomes for the Anindilyakwa people	Lead - GEBIE Supporting - GEMCO, ALC, EASC, DEEWR, DET, DHF, FaHCSIA		Umbakumba LIP and Angurugu LIP
Develop submission to DEEWR for Trade Training Centre (in Angurugu)	Lead - DET Supporting - GEBIE, DEEWR, OTL		Umbakumba LIP and Angurugu LIP
Initiate a $1.5 million training and mentoring program to employ more Groote Eylandt people in the mine	GEMCO	$1.5 M	Umbakumba LIP and Angurugu LIP
Explore partnership opportunities in the private sector, with a particular emphasis on building formal links with industries operating in the region. These partnerships could include (but not be limited to) training, employment, infrastructure and community development	Lead - DBE Supporting - RTEED		Umbakumba LIP
GEMCO to provide sponsorship totalling $150,000 (including in kind contributions) for Poly Farmer Foundation (or equivalent program) which aims to educate future generations for employment opportunities	GEMCO	$150,000	RPA
Leadership and governance training for aspiring leaders (for all of Groote Eylandt and Milyakburra)	Lead - ROC Supporting - GEBIE		Umbakumba LIP and Angurugu LIP

Capacity Building Support	Responsible Agency*	Funding Commitment (if known)	Source
Governance Development Plan for ALC and GEBIE (for all of Groote Eylandt and Milyakburra)	Lead - ALC Supporting - FaHCSIA		Umbakumba LIP and Angurugu LIP
Governance mapping project (for Angurugu and Umbakumba)	Lead - DHLGRS Supporting- ROC		Umbakumba LIP and Angurugu LIP
EASC Council employs youth worker and trainees	Lead - EASC Supporting - FaHCSIA,		Umbakumba LIP

Funding model

Under the local government reforms, the Shire now has primary responsibility for the delivery of local government services to the Groote Eylandt Indigenous communities. As discussed in the case study in Part 2.1, however, the Shires generally struggle to find the resources to provide an adequate range and standard of services to the meet the needs of local communities. The Groote Eylandt RPA is significant because it contains a total financial commitment in excess of $80 million in contributions from the Commonwealth and NT Governments, EASC, GEMCO and Indigenous community organisations. Although the majority of the commitments relate to non-local government services, the tables above indicate that the RPA and the subsequent LIPs do contain specific commitments for local government infrastructure and services. In addition, the parties have made commitments to building the capacity of the community that will, in the long term, assist the capacity of the Shire through the creation of a more robust local economy and a greater pool of governance and employment skills from which the Shire can draw.

Significantly, the RPA and LIP processes have leveraged commitments from non-government parties to addressing local government service delivery issues and community capacity-building. The RPA commitments include up to $14 million in royalty equivalent income from the ALC and its subsidiaries. These are funds which traditional owners have committed to the Agreement in order to leverage additional government funding for priority areas.

Under the RPA and LIPs, the mining company, GEMCO, has also made financial and in-kind commitments in a range of areas, including the improvement of local government infrastructure and services, and community capacity-building. For example, the tables above indicate that GEMCO has committed to:

- upgrading and maintaining roads;
- building public jetties;
- assisting with the installation of fluoride treatment plants for community water supplies; and
- delivering training and mentoring to local residents for employment in the mine, which will ultimately build the skills and experience of the local workforce to the benefit of the local government in the longer term.

Governance

The Groote Eylandt RPA establishes a range of governing structures to drive and monitor the implementation of the commitments at the local and higher levels. These structures are outlined below, as described in the Angurugu and Umbakumba LIPs. The new structures and positions create a robust governance framework to ensure that momentum is sustained and all parties to the agreement are kept accountable for their commitments.

Regional Partnership Committee

- Comprises senior officials from each of the parties to the Agreement;
- is co-chaired by senior representatives of the ALC, the Australian Government and the NT Government;
- provides strategic leadership;
- provides a mechanism for agreement on new priorities and areas for joint action;
- oversees the implementation and performance management of the RPA;
- monitors the implementation of LIPs to make sure the actions in the plan are happening, assesses progress against the time frames and actions in Schedule A, and resolves any concerns if actions are not happening;
- undertakes an annual review of LIPs to make sure that it can respond to the changing needs, gaps and priorities;
- provides an annual report to the community on how the commitments in the LIPs have been achieved;
- the committee secretariat (based in Darwin) asks all agencies to report on their RPA commitments every three months; and
- meets quarterly in Darwin and on Groote Eylandt.

Local Reference Groups

- Established for the communities of Angurugu and Umbakumba to advise on the LIPs;
- comprises representatives from across clan groups, genders, age groups, areas of expertise and other interests within each community;
- will partner with government, the ALC and GEMCO to deliver LIP projects;
- recommend any new priorities to the Regional Partnership Committee;
- recommend any changes to the plan that are needed to meet targets and remove barriers to progress;
- meets regularly;
- provide regular information back to the community to keep the community well informed; and
- is supported by the Indigenous Engagement Officer and GBM within each community and the ALC.

Government Business Manager (GBM)

- Is the contact person for liaison between the community and government;
- assists with community planning and agreement making;

- assists with service coordination on the ground;
- involves service providers such as non-governmental organisations in the LIP process;
- reports on LIP progress to the ROC and the Regional Partnership Committee secretariat regularly;
- works with the Indigenous Engagement Officer to form a single government interface for the community - to help people within communities understand government programs and services and help government understand community issues and priorities;
- is supported by the ROC in Darwin and by the Regional Partnership Committee secretariat.

Indigenous Engagement Officer

- Indigenous person from the local area;
- supports the community in its consultations and negotiations with government;
- ensures government engages with the community in a culturally appropriate way;
- assists the Local Reference Group raise concerns with the GBM;
- works with the GBM to form a single government interface for the community - to help people within communities understand government programs and services and help government understand community issues and priorities;
- is supported by the ROC in Darwin and by the Regional Partnership Committee secretariat.

Regional Operations Centre (ROC)

- Whole-of-government, regionally based operations centre, located in Darwin;
- supported by locally based staff from agencies of the NT and Commonwealth Government;
- works across government with local Indigenous people and other stakeholders to develop LIPs and ensure that they are implemented in a timely and accountable way;
- supports the GBM and Indigenous Engagement Officer;
- reports to the Northern Territory Remote Service Delivery Board of Management.

The Board of Management

- Is a partnership consisting of senior officials from both governments and from the shires responsible for providing oversight and guidance on the implementation of the Remote Service Delivery policy;
- for Groote Eylandt communities, however, the main governance group remains the Regional Partnership Committee because all parties to the RPA are represented on it.

The Office of the Coordinator-General for Remote Indigenous Services and the Office of the Northern Territory Coordinator-General for Remote Services

- Oversees planning and investment in communities and advises government on good practice;
- provides an independent overview of LIP progress and alerts the responsible agency to gaps, delays or needs for improvement to ensure it meets its commitments.

Learnings from the case study

The RPA approach is designed to provide a mechanism for establishing a uniform government investment strategy across a region with respect to Indigenous affairs. Such agreements are intended to provide a coordinated response to priorities identified for the region, thus eliminating duplication or gaps in service delivery. Importantly, an RPA enables an integration of planning and service delivery across not only the various levels of government, but also the private sector (especially resource companies) and the non-government organisation sector (especially local Indigenous community organisations, which may have revenue streams through mining royalties).

An RPA offers advantages over the coordination mechanism offered by community-specific LIPs because it enables a regional focus covering several communities. The Groote Eylandt case study demonstrates that the RPA and LIP approach can be employed in a complementary way in practice.

A process that truly integrates service delivery and funding contributions of all the parties involved in remote Indigenous communities has long been advocated, but has remained elusive in practice. The COAG trial sites for improved intergovernmental coordination in the mid-2000s ultimately disappointed the hopes of policymakers. The RPA process as exemplified in Groote Eylandt, however, may represent the most optimal manifestation of this goal to date. A long-time advocate for reform of service delivery in remote Indigenous communities, Fred Chaney, told a Senate Committee that the Groote Eylandt RPA is "a leading edge example" of efforts to make the system work better (Senate Select Committee on Regional and Remote Indigenous Communities 2009, p.68). He attributes its success to the involvement of two very skilled and experienced facilitators, Neil Westbury and Bill Gray (2009, p.71). Chaney notes that the process forces all parties into an honest appraisal of their roles:

> *What the process is doing is confronting governments as well as the community with their deficiencies. It is lowering the water in the pond and showing where the problems are. Many of the problems are in terms of the way government performs. Many of the problems are in the way Aboriginal people perform. But there is an honest disclosure of what the problems are and how to deal with them. This is not unique but it is unusual to get that degree of focus with that degree of expert help with all of the relevant parties at the table* (Senate Select Committee on Regional and Remote Indigenous Communities 2009, p.71).

The Commonwealth Government has commissioned an independent evaluation of the Groote Eylandt RPA which was due for completion in 2011.

2.3   Shire of Ngaanyatjarraku

The Shire of Ngaanyatjarraku is a Western Australian local government that has grappled with the challenges of delivering services to dispersed remote Aboriginal communities across a broad region since 1993. The governance and service delivery approaches that the Shire has evolved over this time provide an insight into the practical realities of remote delivery of local government services.

Context

Within the WA local government context, the Shire of Ngaanyatjarraku, formed on 1 July 1993, is unique in that it is the only almost entirely Indigenous local government. Originally part of the Shire of Wiluna, the eastern area was separated to form the new local government area of the Shire of Ngaanyatjarraku. The area annexed was based on a community of interest contained within the traditional lands of Ngaanyatjarra people.

Today, there are about 1,838 people living in the Shire. The population comprises mainly Ngaanyatjarra people (89%) and about 200 non-Aboriginal people (Shire of Ngaanyatjarraku 2011). The culture, traditional law and customs of the Ngaanyatjarra people strongly influence the Shire. Ngaanyatjarra is the first language of nearly two-thirds of the Shire's residents. The other significant language in the region is Pitjantjatjara.

The Shire has ten substantive Indigenous communities within its boundaries, the largest of which is the town of Warburton. All of the Shire's communities are classified as "very remote" under the Australian Standard Geographical Classification system of demographic categories. These communities are:

Main Communities	Estimated Population[10]	Category of remote Community [11]
Warburton	720	1
Blackstone	202	1
Warakurna	194	1
Wanarn	161	2
Jameson	140	2
Tjukurla	94	3
Patjarr	59	3
Tjirrkarli	55	3
Kanpa	43	(Bail centre for local juvenile and adult offenders)

This local government is arguably the most isolated in WA. It is bounded by the Shires of Laverton, Wiluna and East Pilbara with the NT and SA as its eastern borders. By road, Warburton is located just over 1500 kilometres from the capital city of Perth. By air (a bi-weekly service), it is about 800 kilometres east of the major regional community of Kalgoorlie and 750 kilometres from Alice Springs. The Ngaanyatjarra communities have nine airstrips and four airport refuelling installations that are central to remote life in these remote communities. The remoteness of this local government area is exacerbated by the almost non-existence of a sealed road network. The Shire has less than 13 kilometres of sealed roads and about 1,444 kilometres of unsealed roads to maintain.

The Shire covers an area of 159,948 square kilometres. The Ngaanyatjarra Land Council holds 99-year leases on behalf of the traditional owners and these leases coincide with the boundaries of the Shire of Ngaanyatjarraku. Thus, the Shire itself does not actually own any land, but instead leases small amounts of land from the Ngaanyatjarra Council. Permits are required to access the Ngaanyatjarra Lands.

From the time of its inception in 1993, the Shire of Ngaanyatjarraku has been committed to delivering local government services to all of its remote Aboriginal communities (Tjulyuru Cultural and Civic Centre 2011). The Shire enjoys a close working relationship with the Ngaanyatjarra Council and the community councils and so does not view the land tenure arrangements as a substantive impediment to service delivery within these communities. The President of the Shire commented that "we don't have to own the roads to put them on our road inventory. This includes internal

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[10] Information from Shire (Shire of Ngaanyatjarraku 2011).
[11] Categories derived from Local Government Advisory Board (Local Government Advisory Board 2008).

community roads." He indicated that in some cases the Shire has contributed the entire cost of constructing some of the roads, and in other instances it has contributed a significant component of the cost (Shire of Ngaanyatjarraku 2011).

Service delivery

At its formation in 1993, the Shire of Ngaanyatjarraku assumed responsibility from the Shire of Wiluna for local government service delivery to the Aboriginal communities within its boundaries. At the time of its inception, the Shire of Wiluna largely neglected the eastern communities even though this was where the bulk of the population lived. Thus, the level of local government service delivery was very limited. At that time, the primary role and responsibility for the delivery of essential and municipal services stood with a number of substantial community organisations that had developed over a long period of time and acquired funding through the Commonwealth Government. This included substantial funding through the CDEP program. Over the years the community councils have developed and been responsible for maintaining a wide range of community assets.

The unique character and history of the establishment of the Shire of Ngaanyatjarraku in WA means that this local government now has almost 20 years of experience in delivering local government services into remote Indigenous communities. Since its inception, the range of services delivered to the communities in the Shire of Ngaanyatjarraku have been progressively improved and extended. This local government acknowledges, however, that it will take some decades for it to be able to provide the same range and standard of services expected in "mainstream" local government areas. To accommodate cultural and local community sensitivities, its approach was to initially contribute funds to existing community facilities and services (e.g. street lighting, swimming pool and oval maintenance) and then to progressively build up to providing at least some of these services directly.

The range of local government services currently provided by the Shire (Tjulyuru Cultural and Civic Centre 2011) include:

- Management services (for the Tjulyuru Cultural and Civic Centre);
- Project management;
- Rubbish collection;
- Litter control;
- Dog control program;
- Funding for street lighting;
- Refuse site maintenance;
- Verge maintenance and road sweeping;
- Youth development program;
- School holiday youth recreation program (Safer WA communities grant);
- Maintenance of football/recreation ovals or funding towards this maintenance;
- Funding towards swimming pool maintenance;
- Road construction and maintenance of roads on Shire's road inventory (contracted to Ngaanyatjarra Services);
- Health services (EHO services all communities under contract with the City of Canning);
- Building services (building licences and inspections under contract with the City of Canning);
- Youth centres and youth development officer;
- Funding for upgrading roads of cultural significance;

- Sport and recreation program with sport development officer;
- Bi-annual TV/radio equipment maintenance program; and
- Social justice officer.

The approach of the Shire is to provide a different level of service to different categories of remote Aboriginal communities. Essentially these categories are similar to those proposed by the Local Government Advisory Board in its 2008 report (Local Government Advisory Board 2008). The following table summarises the services that the Shire currently provides to the different categories of communities.

Category of Community	Category 4	Category 3	Category 2	Category 1
Number of Residents	Under 30	30 - 100	100 - 200	Over 200
Local Government Services Provided:				
Community access road/s	✓	✓	✓	✓
Environmental health officer services	✓	✓	✓	✓
Building services	✓	✓	✓	✓
Street lighting	✓	✓	✓	✓
Construct landfill	✓	✓	✓	✓
Refuse site maintenance	✓	✓	✓	✓
Project management	✓	✓	✓	✓
Bi-annual TV/radio equipment maintenance	✓	✓	✓	✓
Dog control		✓	✓	✓
Internal community road maintenance			✓	✓
Waste service			✓	✓
Litter control			✓	✓
Streetscape program - verge maintenance			✓	✓
Youth services			✓	✓
Sport and recreation program				✓
Early childhood service				✓
Community facility maintenance				✓

Source: (McLean 2011; Shire of Ngaanyatjarraku 2011; Tjulyuru Cultural and Civic Centre 2011)

For a number of these services the standard of service also differs with smaller communities receiving less frequent servicing. For example, refuse site maintenance is provided monthly for the Warburton and Warakurna communities but only annually for all other communities. For many of the smaller communities (less than 100 people) the Shire makes a funding contribution to the upkeep of community facilities which are otherwise funded by the communities themselves. In the larger communities it has progressively taken over control of the funding and provision of traditional local government services.

Funding model
The non-rateability of properties in Indigenous communities located on leasehold lands has been a concern expressed by most of the 22 local governments affected by the Bilateral Agreement for local government service delivery to remote Indigenous communities.

The Shire of Ngaanyatjarraku essentially funds the provision of local government services to its Aboriginal communities through traditional sources – rates, fees and FAGs. The only real rates received by the Shire, however, are from mining tenements since in community leasehold areas the Shire is unable to charge rates on properties. Instead a financial contribution towards local government service delivery is made through the imposition of a poll tax (ex-gratia rates). These "rates" are based on the unimproved values issued on the leases. The ex-gratia rates currently contribute about $52,000 to the Council each year. These rates are supplemented by service charges, as services are introduced, and by grants the Shire can attract such as the WA Safer Communities grant used for the School Holiday program (McLean 2011; Tjulyuru Cultural and Civic Centre 2011).

In the coming financial year, however, the Shire plans to introduce a new rating model for public housing. In the Shire of Ngaanyatjarraku, the Ngaanyatjarra Council manages housing tenancies and the repairs and maintenance of properties as the agent for the WA State Government. The Shire has noted that in every other location where there is public housing, Homeswest pays Council rates and rubbish collection fees and then recoups this expenditure through rent adjustments and grants sought from the Commonwealth Government. Thus, the Shire proposes to issue rates notices to the Ngaanyatjarra Council for these properties (McLean 2011). In the absence of any Valuer-General valuations on these properties in the Shire, the Council is going to base its rating framework on the comparable neighbouring town sites of Laverton and Wiluna.

This measure is certain to provide a test case for the other 21 local governments affected by the move towards "mainstreaming" local government service delivery to remote Indigenous communities under the Bilateral Agreement. If Homeswest acknowledges that it is the "right thing" for the Ngaanyatjarra Council to pay these rates notices to the Shire as the managing agent for public housing within the Shire, this funding model has the potential to increase the revenue generated from $52,000 a year under the poll tax arrangement to about $240,000 a year under a rating regime. This will make a substantial contribution towards further improving and expanding service delivery in these communities (McLean 2011).

According to the Shire of Ngaanyatjarraku President (McLean 2011), the outcome of this measure being undertaken by the Shire will be particularly important since, while the municipal grant funding currently provided to the remote Aboriginal communities by the Commonwealth Government covers a range of services not typically provided by local government (e.g. community management and services unique to the needs of Indigenous communities), it does not provide funding for the range of services normally provided by local government (McLean 2011). Hence it has important implications for the Shire capacity to improve and expand local government service delivery in these communities into the future.

Governance
The overall governance of the delivery of services to the Aboriginal communities has progressively become a shared responsibility between the community councils and local government in the Shire of Ngaanyatjarraku. Each Aboriginal community has its own community council which takes the lead role in the governance of its own community. Each community council is represented on the umbrella organisation, the Ngaanyatjarra Council, which plays a lead role in setting priorities, strategic planning and so forth. The Shire works closely with the Ngaanyatjarra Council to try to utilise and supplement their programs and resources in order to get the best outcomes for the

Ngaanyatjarra people. Each party assists the other in identifying and resolving issues. Now that the Shire has primacy in the delivery of local government services, it takes the primary responsibility for the governance of these services while the Ngaanyatjarra Council and the individual community councils take the responsibility for things to do with culture, land representation, community enterprises and other related issues.

The traditional owners of the Ngaanyatjarra Lands have traditionally provided the regional infrastructure such as roads, stores, air services, roadhouses and so forth for their communities. Today, the local government works in conjunction with each of the communities to assist them with the delivery of services as in many cases the community is unable to afford the service or upkeep of some facilities. In some instances the Shire merely makes a contribution towards to delivery of the service and in other cases it provides the entire service.

Case study learnings

Success factors

In the opinion of the President of the Shire of Ngaanyatjarraku (McLean 2011), four key success factors of the model on which they operate are:

1. Living within your means;
2. Prioritising those services that can make an enduring difference to the communities in the Shire;
3. Forming a partnership with another Council to expand the capacity of the Shire to deliver key services (i.e. environmental health and building control) and to bring in new ideas; and
4. Being sensitive to the needs of the Aboriginal communities and working collaboratively with them to ensure they maintain control over those things that are important to them.

The Shire of Ngaanyatjarraku is already fully engaged in local government service delivery to Indigenous communities. Its budget is framed in accordance with the council's priorities and objectives, the direction it wants to head, and what it deems to be equitable and will provide the best outcomes for the Ngaanyatjarra people. This is backed by strong Aboriginal representation in Council giving people a voice if they are not satisfied with the direction being set by the Shire.

It was noted that the key issue in relation to local government service delivery in remote Indigenous communities is to only deliver what you can afford. The message for other councils is that you are not going to get more money so you must make provision within your budget to provide local government services to these communities. A strength of the Shire of Ngaanyatjarraku in meeting this challenge has been its preparedness to explore innovative ways of securing additional funding to help support an improved level or range of local government services.

In addition, the Shire gives a high priority to the road network, communication and health building regulation as these are seen as the critical factors that can make an enduring difference in communities in the light of the region's isolation and the health issues around Aboriginal communities.

Local government is the one area that Aboriginal people can genuinely get access to government. In the Shire of Ngaanyatjarraku, the Ngaanyatjarra people have the majority on the Council. This enables them to form a view about the direction they want to go and it gives them the power to set priorities and make decisions about their future.

Challenges

Trying to maintain a balance between meeting administrative requirements for legislative compliance and reporting and the delivery of services is a constant struggle. Small and remote local governments like the Shire of Ngaanyatjarraku need to be constantly alert to not "killing off services" by allocating too much funding and resources into meeting administrative requirements under the regulations imposed on local government.

The Shire believes that its collaborative service delivery model is being adversely impacted by the recent CDEP reform program (McLean 2011). The Shire has expressed a high level of concern to the WA Department of Indigenous Affairs over the impact that the changes to the CDEP program is having on the number of participants in the CDEP program in the Ngaanyatjarra communities as this has significant implications for the capacity of the Shire to support and provide "top-up funding" to those communities that are unable to meet the cost of maintaining the community facilities, programs and assets currently in place. In Warburton alone, CDEP participation has declined from 265 to 153 participants since the start of the CDEP reforms. As a result, the Shire is concerned that the Ngaanyatjarra communities are losing a large proportion of their previous funding, the bulk of which has been used in the past to sustain employment.

2.4   Queensland Indigenous Councils

Queensland's Indigenous councils are unique in the Australian context in that they have functioned as discrete local governments since the 1980s. Their struggles and successes in delivering local government services in remote areas hold lessons for any analysis of optimal models. Recent efforts to refine the funding model for the delivery of Indigenous local government services are likely to be of particular interest to other jurisdictions.

Context

In Queensland there are 16 Indigenous councils that have the status of local government authorities under the *Local Government Act 2009.* Two of these Councils, the Northern Peninsula Area Regional Council and the Torres Strait Island Regional Council, are Regional Councils that were created following the amalgamation of several of community-based Indigenous councils in 2008. The remaining 14 Indigenous Councils are Shire Councils based around discrete Indigenous communities that vary in size from 250 to 3,000 residents. These Shire Councils emerged from the former missions and Government settlements that were created as a result of the processes of colonisation in Queensland in the late nineteenth and early twentieth centuries. Since the 1980s, Indigenous councils have been trustees of the land within their jurisdiction (former government reserves), although some of this land (outside the residential areas) has subsequently been handed back to traditional owners through Aboriginal Land Trusts.

The aspect of the Queensland Indigenous council model that is of most immediate relevance to process of transition of local government service delivery in WA is the applicable funding model. The revenue sources available to Indigenous councils, the formula for calculating the costs of delivery of local government services to Indigenous communities, and the recent work that has been done with

the councils to increase the 'user pays' revenue collected from service users are all of potential interest in the context of WA and other jurisdictions.

Service delivery

Queensland's Indigenous councils perform all of the functions of mainstream local governments, as well as delivering a host of other social programs for which no other provider is available in remote communities. In Queensland, local government functions extend to the delivery of water and sewerage services, but not to the provision of power, which is a State Government function.

Essential services infrastructure (e.g. water, sewerage and waste management) for remote Queensland communities has been provided by the State and Commonwealth Governments through special infrastructure programs, but Indigenous councils are responsible for the operation and maintenance of this infrastructure.

Many of the Aboriginal Shires comprise only a few hundred residents and very small areas, and questions have been frequently raised in the past about their viability as separate local government authorities. However, due to their unique history and circumstances, and the fact that they also perform the role as trustees of Indigenous community lands, there has never been serious consideration about abolishing them or amalgamating them with neighbouring non-Indigenous local governments. In remote areas of Queensland, many non-Indigenous local governments have similarly small populations and are subject to similar questions about their viability in terms of financial sustainability and governance capacity. In addition, some Indigenous councils have built the capacity over the past two decades to deliver a standard of services comparable to non-Indigenous rural local governments (Limerick 2009).

Although there are opportunities for Indigenous councils to collaborate with non-Indigenous shire councils for service delivery purposes, this is not common in practice. Some smaller Indigenous councils have arrangements with neighbouring shire councils to access staff in the areas of water services, animal control and environmental health, but the Indigenous shires otherwise deliver the majority of their local government services in-house. A very large proportion of their workforces are Indigenous, although there is still a high reliance on non-Indigenous outsiders in key professional and management roles.

Governance

Indigenous councils are elected by residents of the local government area every 4 years under the same model as other local governments in Queensland. The Aboriginal Shire Councils are comprised of 5 councillors, including a Mayor, while the Regional Councils are larger due to guaranteed representation from divisions comprising each of their constituent communities.

The funding and program complexity and lack of government coordination of service delivery has been a perennial challenge in Queensland remote Indigenous communities as in other parts of Australia. The Queensland Government has been trialling models of place-based coordinated planning and partnerships with Indigenous communities for at least a decade. In 2002, the Government's Meeting Challenges Making Choices strategy initiated regular community-specific 'negotiation tables' leading to agreed 'community action plans' documenting the commitments of all stakeholders in community service delivery, including State and Commonwealth Government

agencies, Indigenous councils and local organisations and residents. This approach was the forerunner to the Commonwealth's Shared Responsibility Agreements and more recently, the Local Implementation Plans under the National Partnership on Remote Service Delivery. In Queensland, the negotiation table approach has evolved into a process that results in Local Indigenous Partnership Agreements (LIPAs) for each Indigenous community setting out agreed actions on priority service delivery issues and reviewed every 6 months. A unique feature of the Queensland process to whole-of-government coordination since 2002 is that the negotiation table process in each Indigenous community has been led by an agency Director-General, nominated as the 'Government Champion' for that community.

Funding model

Grant funding to Indigenous councils

As they operate on inalienable Indigenous land with very limited local economies, Indigenous councils in Queensland are heavily reliant on grant funding to be able to deliver local government services to their communities. The three principal State Government grant sources are:

- *Financial Assistance Grants.* Like other local governments in Australia, Indigenous Councils receive the Commonwealth funded and State administered FAGs. The total FAG allocation to the 16 Indigenous councils in 2009-10 was approximately $18.1 million.

- *State Government Financial Aid Program* (SGFA). This funding is provided by the Queensland Government to the 16 Indigenous councils in Queensland as a contribution to the operational cost of delivering core local government services. The total SGFA budget allocation to the 16 Indigenous councils in 2009-10 was approximately $31.7 million. For a sample of remote Indigenous councils, in 2008 the average SGFA funding was $1,302 per capita.

- *Environmental Health Worker funding*. Indigenous councils receive Queensland Government grants to employ environmental health workers. The total environmental health worker funding to Indigenous councils in 2009-10 was approximately $2.3 million.

The following table illustrates the municipal services funding provided by the State Government to Indigenous councils from 2001 to 2009.

Municipal service funding to Indigenous Councils 2001-02 to 2008-09
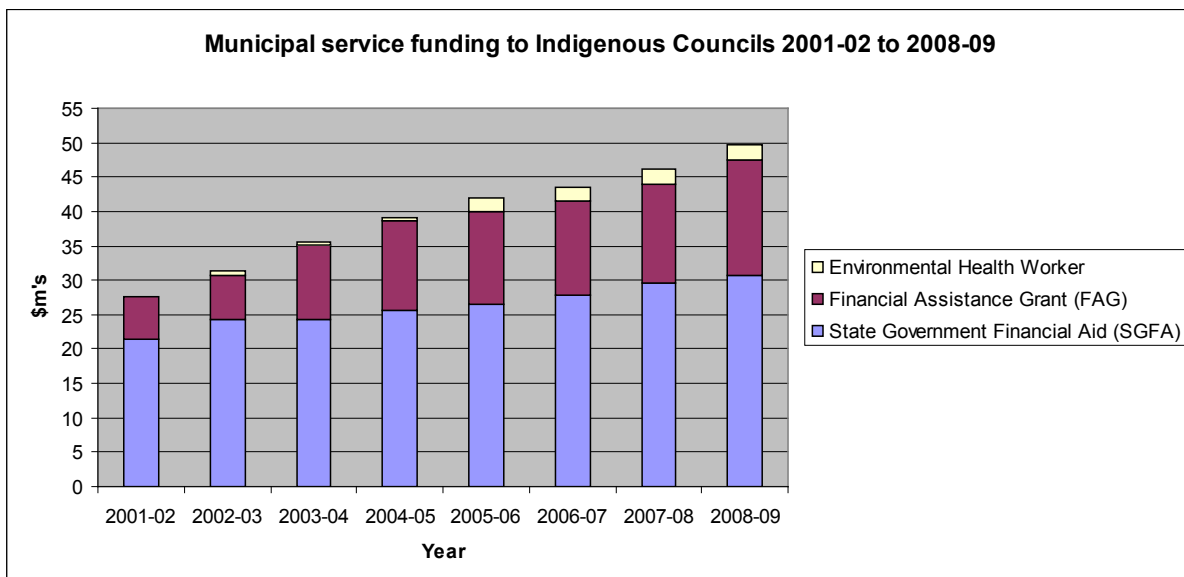
Some Indigenous Councils also receive municipal services funding from the Commonwealth Government's MUNS program. This funding has been provided on a historical basis and is not received by all councils. In 2009-10, MUNS funding to the Indigenous Councils was approximately $2.6 million. In recent years, some Councils have also received grants from the Commonwealth Government as part of the conversion of CDEP positions used for municipal services into full time local government positions. This funding totalled approximately $1.8 million in 2009-10. The Queensland Government has also provided $1.44 million per annum from 2009-10 on a recurrent basis to Aboriginal Shire Councils to assist with job creation as part of the State's commitment to the COAG Indigenous Economic Participation National Partnership.

Calculation of SGFA funding

In order to distribute the available SGFA funding to Indigenous Councils equitably and based on need, the Queensland Government has historically used a formula for calculating the local government service delivery needs for each Indigenous community. The most recent iteration of this formula was based on an analysis by Deloitte conducted in 2008.

The formula recognises that SGFA is a contribution to the operating cost of delivering core municipal services in Indigenous communities but is not intended to cover all of these costs as it is only one of several State and Federal Government programs. The Deloitte review found that for a sample of remote Indigenous councils, the core municipal services expenditure per capita was $7,489, while the average SGFA funding per capita was $1,302.

The formula to identify the overall SGFA funding pool requirement and its distribution to each council is therefore based on the following:

- identify the recurrent expenditure necessary to provide municipal services at an average standard no less than that enjoyed by the wider Queensland community;
- identify own-source revenue raising capacity of each Indigenous local government to contribute to the costs of municipal services through levies, fees and charges;
- identify other grants income including the FAGs and various other specific purpose grants such as the Environmental Health Worker Program, Road and Drainage Grants, Animal Management Grants and the Commonwealth's MUNS Funding; and
- identify other direct funding arrangements for municipal services.

The SGFA funding requirement is then determined by subtracting all revenue sources including other municipal service grants and own source revenue from the identified municipal services expenditure need.

Municipal services for the purposes of calculating the SGFA:

- water supply, waste water disposal, solid waste management;
- roads, drainage and other transport infrastructure;
- environmental health, parks, gardens and sporting facilities;
- community safety;
- environmental management and planning; and
- administrative and related services necessary to perform the local government role.

To determine the recurrent expenditure needs for municipal services, the formula relies upon actual costs for the operation and maintenance of water and sewerage infrastructure (based on the councils' own asset management plans) and estimated costs for other services based on the methodology used by the Local Government Grants Commission (which largely use benchmarks gained from data collected from local governments across Queensland).

To reduce the need to engage consultants to develop a funding formula, the Queensland Government is working with Indigenous councils to build their capacity to collect better data and undertake better planning to identify the actual costs of services delivery. It is hoped that increasingly, councils' funding requirements and therefore the distribution of grants in the future will be determined on the basis of actual community-by-community data.

The 2008 Deloitte review recommended a combination of strategies to ensure that core municipal funding requirements are achieved by Indigenous councils, including direct action by councils to reduce expenditure and improve revenue, as well as increasing grant levels.

Scope to raise 'user pays' revenue

A unique provision introduced into Queensland legislation in 1999 enables Indigenous councils to raise revenue through levies on a per capita basis (sometimes called a 'poll tax'). Section 100 of the *Local Government Act 2009* provides as follows:

> **100. Fees on residents of indigenous local government areas**
>
> (1)   An indigenous local government may, by resolution, levy a fee on residents of its local government area.
>
> (2)   The indigenous local government may exempt a resident from paying the fee, if another amount is payable to the indigenous local government in relation to the property in which the resident resides.

This provides a general head of power to levy a fee on residents that is not connected to the value of property, as in the case of a general rate, or to the delivery of a particular service, as in the case of a utility or service charge. This power is not available to non-Indigenous local governments.

Some Indigenous councils have used this power as a means of overcoming their inability to levy general rates (as land is not privately owned). For example:

- the Kowanyama Aboriginal Shire Council levied a fee of $40 per person resident per week on all adults in the community of just over 1,000 residents. The Council was able to raise $624,000 from this levy in 2008-09;

- the Pormpuraaw Aboriginal Shire Council (population about 650) levied a fee of $22.50 per week on CDEP employees and $30 per week on all Council employees. The Council was able to raise $140,000 from this levy in 2007-08;

- the Aurukun Shire Council (population 1,138) levied a fee of $27.50 per adult resident per week, which raised $325,000 in 2008-09.

In the past, when Indigenous councils were responsible for tenancy management of public housing, they struggled to collect rent from households. Some Councils used the levy on residents as a means of collecting both rent and a contribution to the cost of delivering municipal services.

The Queensland Government's guidelines to Indigenous councils on collecting 'user pays' revenue from residents (Department of Infrastructure and Planning 2009, p.13) notes that understanding the community's capacity to pay is an important consideration in setting an appropriate amount, which may be determined by reference to factors such as:

- Total population/number of residents;
- Centrelink payments going into the community;
- Number and type of local salaried positions in the community;
- Rental rates charged to residents; and
- Cost of living (food, fuel etc.).

Centrelink data for 2008 reported in the Queensland Government guidelines on revenue raising indicate that in a smaller community such as Wujal Wujal (population 361), $77,000 in Centrelink payments are made every fortnight ($2 million per year), while in a larger community such as Doomadgee (population 1,181), $191,350 Centrelink payments are made every fortnight ($5 million per year) (Department of Infrastructure and Planning 2009, p.22).

Rate equivalents paid for public housing

As in other jurisdictions, one consequence of the Commonwealth Government's National Partnership Agreement on Remote Indigenous Housing is that Indigenous communities have been required to provide leases of a minimum of 40 years to housing authorities in respect of new and upgraded housing. As part of these arrangements, housing authorities commit to paying a 'rate equivalent' for each property for local government services, in the same way that public housing authorities in urban locations pay rates to local governments and recoup these costs through rent. In Queensland, it was negotiated that the Indigenous Councils would be paid $2,000 per year per dwelling in rate equivalent to cover municipal services provided by the Council. As the public housing authority, the Queensland Government's Department of Communities will pay this amount to Councils that agree to the new leases. As the trustees of the land, Indigenous councils are also eligible for a lease payment of $800 per lot per year.

The rate equivalent of $2,000 is in the mid-range of comparisons with the rates and charges of other remote non-Indigenous local governments. In a sample of other remote councils, comparisons in 2008 found that the combined general rates and utility charges (covering sewerage, water and waste services) ranged from $972 to $2,663 per annum, with the average being $1,730 per annum.

The rate equivalents paid on public housing is a significant new revenue stream for Indigenous councils. For example, a small community such as Wujal Wujal is entitled to about $172,000 for all of its housing stock in 2011-12, while a larger community such as Doomadgee is entitled to $429,000.

Utility charges

Indigenous councils are also able to levy charges to cover the costs of utility services such as water, sewerage and waste collection. Some Councils have used this power to levy charges on State Government facilities in the community that receive local government services, such as health services, schools and Government staff residences. For example, one of the better managed Indigenous councils, Yarrabah Aboriginal Shire Council, levied charges for waste collection at the rate of $300 per wheelie bin in 2008, based on collection three times per week. Thus, a school with 14 wheelie bins was charged $8,400 per year. Aurukun Shire Council in 2008 was charging $706 per bin

per year for waste collection, while Mornington Shire Council charged $1,018 per bin per year.

The majority of Councils, however, have not taken advantage of this 'user pays' revenue raising option. There are only a limited number of non-public housing properties in a remote Indigenous community on which to levy service charges, so the administrative costs of the scheme need to be weighed against the potential revenue.

Case study learnings

For the purposes of this report, there are a few key features of the Queensland Indigenous Councils model that may be relevant to the WA transition process and efforts to reform remote community service delivery in other jurisdictions:

- Queensland Indigenous Councils demonstrate that it is possible for local councils in remote Indigenous communities to build the capacity to achieve an adequate level of local government service delivery using local workers. While the standard of local government services in remote Queensland communities is variable, at least some Councils deliver services comparable to mainstream towns. This suggests that the scope for a continuing or growing role of local Indigenous community members, local councils or organisations should not be dismissed in the transition to new arrangements for the delivery of local government services in remote WA communities and other jurisdictions.

- The requirement for ongoing funding assistance by the Queensland Government in the form of SGFA to enable the delivery of core municipal services in remote communities indicates that FAGs, MUNS funding and other Commonwealth-derived programs will not on their own be adequate to fund municipal services. The work undertaken in developing a formula for the calculation of the SGFA funding requirements provides a useful precedent for the calculation of municipal services funding requirements in remote communities elsewhere in Australia.

- The concept of a legislatively-sanctioned per capita levy on residents of remote Indigenous communities represents a useful option for local governments to raise 'user pays' revenue from residents on communally-owned non-rateable land. The successful use of this measure in some Queensland communities demonstrates that residents have the capacity and the willingness to pay at least some of the costs of local government services.

- The collection of a substantial 'rate equivalent' of $2,000 per house per annum is a precedent for a further revenue stream in lieu of rates for local governments delivering services to remote Indigenous communities.

2.5 Anangu Pitjantjatjara Yankunytjatjara Lands

The small, remote Aboriginal settlements scattered across the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the northwest of South Australia (SA) epitomise the challenges of remote area service delivery. This case study focuses on past proposals to reform the delivery of local government services in this region, along with recent changes that have seen the transfer of service delivery from the community level to a regional provider.

Context

The APY Lands in northwest SA are home to about 2,500 Anangu people, living in seven communities across an area of 122,000 square kilometres (26% of South Australia). The administrative centre for the region is located in Umuwa. The APY lands were returned to Anangu people through a trust created under the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981* (SA).

As in other remote areas of Australia, the delivery of adequate municipal services has been an ongoing struggle on the APY Lands. The Lands are within a part of SA that is not within the jurisdiction of any local government. Consequently, there has been no single organisation responsible for delivery of municipal services. These services have historically been provided through a combination of local community councils, regional organisations and State Government agencies. It is widely accepted that these services have not been delivered to an adequate standard. A SA Government consultation paper in 2008 observed that:

> *At present, there is no identifiable body that takes responsibility for local government and allied services or deals with local government matters on behalf of Anangu. For many years, functions that would normally be provided through local government bodies have not been adequately provided, if at all. Consequently, services have become fragmented, lacking in co-ordination and are unnecessarily complicated for both Anangu and Government to monitor* (Aboriginal Affairs and Reconciliation Division 2008, p.1).

There have been numerous reports and studies that have investigated solutions to these issues. The most recent of these is the *Scoping Study of the Delivery of Municipal and Local Government Services on the APY Lands*, by John Thurtell Consulting Services in September 2007 ('the Thurtell report') (Thurtell 2007). The Thurtell report is of particular interest to other Australian jurisdictions considering reforms to the delivery of local government services in remote Indigenous communities. The report documented local challenges that are mirrored in other parts of the Australia and suggested a series of options to overhaul the funding and coordination of municipal and local government services to the APY communities.

Service delivery and funding model

The Thurtell report mapped the existing delivery of local government-type services to the communities within the APY Lands in 2007. This is set out in the following table.

Service	Delivery method	Funding
Municipal services, including: • The operation and maintenance of electricity, water and effluent systems; • Routine and essential maintenance of roads within communities, homelands and the APY Lands more generally; • Routine and essential maintenance of community airstrips; • Waste removal and rubbish tip maintenance; • Management and maintenance of ovals, parks and playgrounds; • Tree planting and construction of levy banks in and around communities to assist with dust control;	Commonwealth Municipal Services Program (MUNS) funding: Delivery to 7 APY communities, by funding direct to the community councils Delivery to other communities and homelands by funding to a regional service provider, AP Services	$3,218,900 to 7 communities $1,395,980 to AP Services *(Commonwealth funds)*

Service	Delivery method	Funding
• Fire prevention measures; • Management of infrastructure and municipal services. This includes the operation of community offices, employment of Municipal Services Officers, the purchase and operation of vehicles associated with municipal services and repair and maintenance of community buildings and infrastructure; • Limited support for families and individuals in their contact with external organisations such as banks, insurance agencies, licensing bodies, etc.; • Preparation of town plans; • Insurance on assets used specifically to provide municipal services.		
Essential services (electricity, water and sewerage systems)	ETSA Utilities, SA Water and AP Services	*(State funds)*
Maintenance of water and sewerage systems	MUNS grants to communities and AP Services (as above) AND SA Department of Premier and Cabinet funding to SA Water	SA Dept of Premier and Cabinet: $1,502,041 to SA Water *(State funds)*
Diesel fuel for generators	SA Dept of Premier and Cabinet	$2,740,000 for communities and $126,000 for Central Powerhouse at Umuwa *(State funds)*
Employment of Essential Services Officers for 6 communities	SA Dept of Premier and Cabinet grant to AP Services	$275,229 *(State funds)*
Homelands Capital Power and Water Program for development of alternate energy and water systems	Commonwealth Government grant to AP Services	$880,000 *(Commonwealth funds)*
Employment of Environmental Health Workers	Country Health SA	$350,000 *(State funds)*
Dog health funding	MUNS funding to Nganampa Health Council	$47,000 *(Commonwealth funds)*
Environmental Health Program (a Public and Environmental Health Officer supported by an Anangu Environmental Health Officer)	SA Department of Health funding to Nganampa Health Council	$210,000 *(State funds)*

Service	Delivery method	Funding
Pumping out sewerage tanks attached to residential housing and community buildings in major communities	Commonwealth Dept. of Health and Ageing funding to AP Services	$300,000 *(Commonwealth funds)*
General purpose and road grants (Financial Assistance Grants – FAGs)	Local Government Grants Commission funding to Anangu Pitjantjatjara Yankunytjatjara (land management body)	$860,217 general purpose grant $155,788 identified roads grant *(Commonwealth funds)*
Administration of APY Act	SA Dept of Premier and Cabinet grant to Anangu Pitjantjatjara Yankunytjatjara (land management body)	$1,047,000 *(State funds)*

Thurtell reported that in total $14.5 million was provided for municipal, essential, environmental health and other local government services in APY Lands in 2007 (Thurtell 2007, p.39). It should be noted that many of these service delivery arrangements have changed since 2007, but the information reported by Thurtell provides a services and funding map that demonstrates the complex and disjointed model for funding and delivery of services to these remote communities. It is a similar picture to that existing in WA at present and in the NT prior to the 2008 local government reforms.

Thurtell (2007, pp.39-45) made a number of pertinent observations about the shortcomings of these arrangements in the APY Lands, that will be recognisable by those involved in service delivery in other remote Indigenous communities:

- Most of the service funding is provided directly to communities, yet "most of those communities are ill-equipped to properly manage those funds or to employ suitable staff, monitor and supervise staff or remove staff that prove to be unsuitable":
- community management is "generally dominated by one or more staff members and/or a small number of dominant community council members" ;
- the Municipal Service Officers are subjected to substantial pressure from residents for access to resources;
- staff salaries are low and people with inadequate training, qualifications and experience are often employed;
- there is an inadequate separation of powers and functions between community councils and staff; and
- there few systems, policies or procedures making community administration "very ad hoc and reactive".
- Frequent changes in Government policies and procedures contribute to the "haphazard and disorganised nature of community management".

- Funding is provided on "a programmatic/historic basis rather than through a strategic, planned or needs-based approach". Funding arrangements frequently change and are not communicated to communities.

- Funding is usually for no longer than 12 months and includes onerous compliance requirements.

- Indigenous employment outcomes are poor:

- the numbers are low and many dedicated Indigenous positions are difficult to fill;

- Indigenous staff "tended to be quickly overwhelmed by the pressure put on them by other Anangu to assist help them or their family, their lack of familiarity with processes and procedures required by funding agencies and comparatively low levels of literacy and numeracy and interest in office-based work";

- there is poor support, supervision and direction for Indigenous staff;

- work is "low skilled and mundane" and there are few career paths;

- Community Offices are viewed by Anangu, Governments and other stakeholders as "one stop shops" for a range of community needs and activities, leading to staff spending up to half their time on other community management tasks unrelated to the services for which they are funded under the MUNS program.

Thurtell argued that the direct funding for delivery of municipal services to ill-equipped local communities represents an "unfair burden on communities" (2007, p.46). He advocated a regionalised service delivery model, with all current funding pooled and directed through a regional service delivery agency – one of the following options:

- a regional provider identified through a regional service delivery tender (or possibly two providers if community management services are to be kept separate from other services), but with environmental health services subcontracted by the regional provider; or

- the existing land management organisation, Anangu Pitjantjatjara Yankunytjatjara; or

- a newly created local government.

The SA Government issued a consultation paper in October 2008 responding to the Thurtell report. The paper indicated that the SA Government's preferred option was the creation of a local government, but that this would need to be modified from the conventional model to meet the needs of the APY Lands and the Government was concerned to ensure the new model was fully supported by Anangu. The Government consulted on this paper until March 2009, but further development of the model appears to have been put on hold in the past two years as a result of the National Partnership Agreement reforms around housing and remote service delivery and the changes to the Commonwealth's municipal services funding in 2010 (Minister for Families and Communities 2010, p.16).

Regionalised service delivery model for municipal services
Although the integrated regionalised model proposed by Thurtell has not been implemented, the Commonwealth Government did regionalise its MUNS funding for the APY Lands in 2009. From 1 July 2009, the Commonwealth redirected its municipal services funding for APY communities to the regional provider, AP Services (now known as Regional Anangu Services Aboriginal Corporation). This organisation had been struggling with governance and financial management problems and had been

placed under special administration by the Registrar for Indigenous Corporations in February 2009. During the special administration, the organisation had successfully tendered for the regional delivery of municipal services under the reformed MUNS funding arrangements.[12] Following 12 months of support by the special administrators and governance training for the directors, the corporation was handed back on 16 February 2010 (Office of the Registrar of Indigenous Corporations 2010).

Regional Anangu Services (RAS) is based in Alice Springs, but employs most of its 50 staff on the APY Lands. About half of its staff are employed full-time and the remaining half are casual. Its Board comprises 13 members – 10 Anangu directors who are the Chairpersons or Deputy Chairpersons from each of the APY communities, plus 3 independent directors to provide additional expertise. The Board meets about every six weeks. This regular interaction between RAS and APY Lands community representatives plays an important role in ensuring ongoing engagement between the regional service provider and its communities.

Regional Anangu Services provides the following municipal services to the APY communities (Anangu Pitjantjatjara Services Aboriginal Corporation 2009; Regional Anangu Services Aboriginal Corporation 2012):

Service	Frequency
Pick up household rubbish (taken to local landfill sites)	1-2 times per week
Big rubbish collection	Once a month
Tidy up landfill sites	Regularly
Car body collection	Twice a year
Sweep sealed roads in the community	Twice a year
Inspect and do minor repairs on internal sealed roads (fix pot holes)	Once a month
Landscaping – Principally dust suppression - tree plantings and restricting vehicle movement in parts of the community by erecting bollards; Also mowing, weeding, playing fields and public places fixed, earth mound maintenance	When needed
Pest control in public places	When needed
Fire management: - Cleanup – including litter control education - Grass cutting – maintaining fire breaks and grass growth around and within communities - Training for staff	Once a year When needed Once a year
CEO or general manager visits communities	Once a month
Visit the community council to talk about services delivered by corporation	When invited

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[12] This move attracted some controversy from other Indigenous leaders. See http://www.anangu.com.au/media-releases/105-press-release-re-municipal-services.html.

Regional Anangu Services also performs the function of servicing homeland infrastructure (1-3 houses located away from established communities), which is not always occupied (Regional Anangu Services Aboriginal Corporation 2012). For the regional service provider, this presents the issue of determining how to best allocate scarce resources to ensure they are maintaining infrastructure in those locations where people are actually staying.

To deliver its services, Regional Anangu Services established an operations centre depot and workshop at Umuwa where it holds the vast majority of its stores and heavy equipment. It also has sub-depots in 5 other locations to provide services to nearby communities. The Umuwa operations centre also services the surrounding homelands. Community Works Officers are engaged in and live in five communities and there is a leading hand position to oversee all districts. Each Community Works Officer leads a team of 4-10 workers depending on the size of the community.

In 2010-11, Regional Anangu Services received $5,011,537 from the Commonwealth Government to "provide a regionalised service delivery approach to MUNS on the APY Lands". According to the corporation, the level of Commonwealth funding for delivering these services is expected to remain around $5.2 million in the 2011-2012 financial year (Regional Anangu Services Aboriginal Corporation 2012).

Over the past year since a new RAS General Manager was appointed, there has been no extension of the range of municipal services provided to the APY Lands. Rather, the focus has been on ensuring that the specified services are actually being delivered and provided at an acceptable level and quality across all communities. To achieve this, the organisation has established weekly status reporting and monitoring systems and mechanisms for identifying issues and responding to shortfalls in service delivery standards. In addition, as the key funding agency, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) monitors the service delivery levels and standards through quarterly visits to the APY Lands communities.

The opportunity and ability to standardise the level and quality of service delivery to achieve greater consistency across all communities is seen as the primary benefit of having moved to a centralised service delivery model (Department of Families Housing Community Services and Indigenous Affairs 2012; Regional Anangu Services Aboriginal Corporation 2012). From a funding body perspective, FaHCSIA believes this new regionalised service delivery model is more efficient as there is only one provider to deal with instead of multiple fractured groups (FaHCSIA 2012). Nevertheless, the Department also concedes that the standard and quality of services being provided still varies across communities depending on who is providing them. The Department acknowledges, however, that RAS recognises that some issues still exist and has been responsive to FaHCSIA's requests for addressing any service delivery issues identified.

Prospects for a regional local government

The formation of a newly created local government for the APY Lands was one of the regionalised service delivery model options advocated by Thurtell and, with some modification, was the preferred option of the SA government. As previously noted, progression of this particular proposal has stalled. One new development towards the formation of some type of regional council or group, however, has been the commencement of discussions around the formation of a Regional Partnership Agreement (RPA) instigated by the APY Land Executive approaching FaHCSIA to see how better

coordination of service deliver might be achieved across the Lands.

To date there have been two meetings involving the State and Commonwealth governments, the APY Lands Executive and Community Council Chairpersons (or representatives) and APY Lands service providers. These discussions are very much in their infancy, but this group has reached an 'in-principle' agreement for the formation of an RPA but the next step would be to determine whether there is broad community support for this type of arrangement through community consultations (FaHCSIA, 2012). According to an officer from the Adelaide office of FaHCSIA:

> FaHCSIA believes that the formation of some type of regional council or group is the way to go but it depends on having the support of the APY Lands Executive, service providers and the communities. The formation of a RPA may be the mechanism for progressing down this pathway ... This is a medium term possibility for having a coordinated regional service delivery model for the Lands. (FaHCSIA, 2012)

Nevertheless, it was also noted that for the government to fund such an entity to deliver local government type services, the group would need to demonstrate its capacity for consistent service delivery, sound financial management and accountability, and good governance.

Governance

The Thurtell report illustrated that the governance of services in the APY Lands has been fragmented between local community councils, regional service providers and Government agencies. The recommendation for the regionalisation of local government service provision reflected the need for a single point of accountability and coordination for the proper planning and delivery of services. Key features of Thurtell's proposals for regionalised service delivery included:

- the pooling of all State and Commonwealth funding for local government-type services to the APY Lands, to be channelled through a single provider under a 3-year funding arrangement, with 15% to be set aside for administration, training and corporate services and another 15% to be set aside for equalising allocations to APY communities;

- employment of a Community Manager in each major community, with a role comprising 50% of time spent on community management tasks, 25% on managing and coordinating service delivery staff and 25% on developing and implementing a Community Development Plan;

- payment of higher wages for the new Community Manager and service delivery positions than the previous Municipal Service Officers and other service staff;

- the new positions would not be employed by the community councils but by the regional provider;

- employment of regional management and technical positions such as a Works Supervisor, licensed electricians and plumbers, complemented by community-based Infrastructure Service Officer positions. Thurtell (2007, p.53) notes that "it is easier for regional service providers to attract and retain skilled staff and to develop and maintain policies and procedures than a smaller entity such as a Community Council";

- a Management Committee to provide strategic oversight and monitoring of delivery of the services, comprised of APY, the service delivery organisation, the State and Commonwealth Governments, and representatives from each community council; and

- the community councils should have only an advisory role to the regional provider on service delivery issues, but funding for the Community Offices should continue in light of the support they provide to residents.

A notable aspect of this proposed new service delivery and governance model was the relationship of the new regional provider to the community councils and their local offices. Thurtell highlighted that the current Municipal Services (MUNS) funding from the Commonwealth Government was funding positions that perform a host of "community management" functions unrelated to the services for which the funds were provided. According to Thurtell, these include:

- "ordering personal items and goods for Anangu community members;
- "making personal telephone calls for Anangu community members;
- "organising accommodation and making travel arrangements for Anangu community members;
- "purchasing or ordering food for Anangu community members;
- "providing vehicles funded through municipal, essential and environmental health programs for the personal use of Anangu community members;
- "organising mail for Anangu community members;
- "assisting the organisation of cultural business with and for Anangu community members;
- "assisting Anangu with CDEP processes and contacts;
- "helping Anangu community members with their personal banking and the transfer of funds from various accounts;
- "organising the funerals of Anangu community members;
- "supervising (or attempting to supervise) staff and workers employed in the delivery of essential services and environmental health services (in spite of the lack of formal supervisory responsibilities given to Municipal Services Officers in relation to those staff); and
- "meeting with visiting staff from Government and non-Government agencies, consultants, politicians and other people that come to the communities" (Thurtell 2007, p.43).

Recognising the importance of this work, Thurtell (2007, p.73) made the following recommendation:

Community management is an ongoing, time consuming and highly demanding function that needs to be formally recognised and funded. Although FaCSIA's Municipal Services Program funding was/is intended to cover specific eligible activities rather than generalised community management, Municipal Services Program funding has also supported the governance and administration of all of the APY communities to the point where their ongoing management has become dependant on its availability. It is extremely unrealistic to think otherwise. It is equally unrealistic to think that if the function of community management was not funded, that community members would be willing or able to take on and successfully undertake a vast array of community management functions without training, mentoring, support and payment for their labour.

On this basis, Thurtell recommended continued funding for the Community Offices of the community councils, but without their current direct service delivery responsibility. He suggested that removing the service delivery responsibility from these community councils will enable them to able to "focus

more specifically on community development and social initiatives that the community members want to progress" (2007, p.53).

As discussed, Thurtell's recommendation about relieving community councils of their municipal service delivery responsibilities seems to have been partly achieved by channelling MUNS funding through the regional service provider, Regional Anangu Services, in 2009. A challenge associated with these changes, however, was how to manage the impact of the community councils' loss of funding on their ability to provide community governance and administration. The 2009-10 MUNS grant to Regional Anangu Services included a component to provide support to the community council offices until 31 December 2009, in the form of employment of six positions. It is understood this was extended until 30 June 2010.

In May 2010, the SA Government announced the funding of new Community Council Support Officers employed by the State Government in six communities for 2010-11 (The Anangu Lands Paper Tracker 2011). Under the model established, these positions would be supervised and monitored from Adelaide.
A number of concerns and criticisms have been expressed about the model established for providing Community Council office support in the APY Lands, including:

- Community councils from the APY Lands expressed concern that these positions would not be employed by the community councils themselves, but by the State Government (APY Executive Board 2010, pp.1-3).

- Salaries for these position fall well short of a level of remuneration necessary to attract and retain adequately skilled staff (The Anangu Lands Paper Tracker 2011).

- Positions were not funded for all APY Lands communities and did not take into account local circumstances such as the presence of Government Business Managers (The Anangu Lands Paper Tracker 2011).

- Issues of remoteness, poor technology, English as a second or third language and inadequate skills and training for officers in these positions makes the current model problematic (FaHCSIA 2012).

- No long term funding secured for these positions into the future (The Anangu Lands Paper Tracker 2011).

Overall, these positions do not appear to meet the need identified by Thurtell for ongoing community governance and administration support by well-qualified managers.

The current status of the Community Council Support Officer positions is that at December 2011 there were two vacant positions (Mimili and Pipalyatjara). For communities with unfilled vacancies, the SA government arranged for RAS to provide administration support, a role the RAS is still performing. The funding for these positions was initially extended in June 2011 for three months and has now been extended to 30 June 2012. Since August 2011 the State and Commonwealth governments "have been having discussions on a new model for joint arrangements to provide for a community presence that is adequately supported by government" but "everything is still in negotiation" (FaHCSIA 2012).

Case study learnings

The Thurtell report in 2007 documented a poor standard of local government-type services being achieved by the fragmented and uncoordinated service delivery arrangements in the APY Lands. Although some degree of regionalisation of services has occurred through the Commonwealth's changes to the MUNS funding arrangements, the recent baseline mapping for the Local Implementation Plans in two of the larger communities in the APY Lands (Amata and Mimili) suggests that there has been little improvement in standards of service delivery in recent years.[13]

The model proposed by Thurtell for pooling of all currently allocated State and Commonwealth funds through a regional service provider (preferably a new local government) was supported in principle by the SA Government but has to date proven 'a bridge too far'. The APY Lands case study demonstrates the difficulty of disentangling long-established service delivery arrangements, even where they are dysfunctional and in need of rationalisation. Local government-type services in the APY Lands continue to be funded and delivered through a complicated matrix of State and Commonwealth agencies, regional service providers and community councils. There is no single point of accountability for these services and little hope of ensuring optimal planning and coordination.

The APY Lands case study illustrates the challenge in managing the impacts on community-level governance and administration when the delivery of services is regionalised. In recent decades, Commonwealth Government MUNS funding to local community councils has underwritten community governance and administration functions. Thurtell recognised that in redirecting service delivery funds away from community councils to regional providers, there was a risk of diminishing the vital community governance and administration functions that the local community councils and their Community Offices provide. He therefore recommended the continuation of dedicated funding for this function in the form of 50% of the time of a new skilled Community Manager position. This model has not been implemented. Instead, the Commonwealth Government first sought to provide support to the community councils through the regional service provider and, more recently, the SA Government has sought to continue this community governance support function by directly employing Community Council Support Officers. These positions, however, are only part-time (30 hours per week), are primarily administrative[14], and are not employed in all communities. A diminution of community council capacity therefore seems to have been an outcome of the service delivery reforms.

2.6   Aboriginal Communities Water and Sewerage Program (NSW)

The Aboriginal Communities Water and Sewerage Program is an example of a programmatic solution to the inadequate delivery of essential services by Aboriginal community organisations that lack the technical expertise for this responsibility. Key aspects of the design of this program, such as the long-term nature of the funding commitment and the scope for community participation in the governance arrangements, hold lessons about sustainable service delivery models in the Indigenous context.

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[13] The Amata LIP reports the outcomes of the Municipal and Essential Services Audit, which found deficiencies across almost all areas of municipal and essential services:
http://www.facs.gov.au/sa/indigenous/pubs/communities/lips/amata/Documents/section_2.htm#2b.
[14] The positions are designated ASO3, which attracts an annual salary of about $50,000-55,000 for full time positions.

Context

New South Wales (NSW) Aboriginal communities are geographically diverse and range from urban to rural and remote. Approximately 77% of the Aboriginal population in NSW live in urban and regional areas. However, in the most remote regions of NSW, Aboriginal people comprise the largest proportion of the population (New South Wales Department of Aboriginal Affairs 2008, p.12).

There are over 60 discrete Aboriginal communities in NSW, with a total population of 7,777 (Australian Bureau of Statistics 2001). The size of these communities varies significantly, with the number of houses per community area ranging from 8 houses to between 80-100 houses within their boundaries.

The limited data available on water, sewerage or waste disposal clearly shows that people living in these discrete communities face much greater environmental health risks and receive a much lower level of water, sewerage and waste disposal services than do mainstream communities (Legislative Council Standing Committee on Social Issues 2008, p.38). In 2004, the NSW Aboriginal Community Water and Sewerage Working Group was established by NSW Health to develop a co-ordinated strategy to investigate water quality monitoring and water and sewerage infrastructure needs.

In 2007, the Working Group Issues Paper found that water and sewerage services in many discrete Aboriginal communities do not meet the basic standards expected by the wider Australian population and there are few processes in place to monitor the quality of drinking water (New South Wales Department of Aboriginal Affairs 2008, p.94).

From December 2007 to February 2008 the NSW Department of Commerce undertook a survey of the water supply and sewerage services in selected Aboriginal communities. The survey looked at the existing infrastructure (buildings, pipes and machinery for example), operational procedures, and the current levels of servicing and maintenance. The Department also estimated the annual operation and maintenance costs, as well as repair and upgrade costs, if required.

The survey focussed on communities that satisfied the following criteria:

- it must be a genuine community of houses, not scattered houses in a mainstream community;
- it must be a permanently inhabited residential community, not holiday centres, rehabilitation or commercial centres; and
- it must be community-owned and the community must be responsible for the provision of its own water supply and sewerage services, not communities managed by the Aboriginal Housing Office or religious organisations.
- Approximately 60 communities were examined and of those, the survey found that:
- about 10 communities had satisfactory water supply and sewerage services but require assistance with ongoing management and servicing;
- about 30 communities had adequate infrastructure but need maintenance and repairs to equipment; and
- about 20 communities had inadequate infrastructure and require additional funding.

The survey report was part of a submission to Government seeking funding, initially to fix the ongoing problems of maintenance and repairs to equipment.

In July 2008, the NSW Government, in partnership with the NSW Aboriginal Land Council commenced the Aboriginal Communities Water and Sewerage Program (the program), to monitor and maintain the water and sewerage systems in discrete Aboriginal communities. A case study of the program as a means for delivering essential water and sewerage services to discrete Aboriginal communities will provide key learnings that will be of relevance in other regional and remote parts of Australia.

Service delivery

The history of service delivery difficulties

Prior to the development and implementation of the program, the provision of essential services to discrete Aboriginal communities in NSW was ad hoc and resulted in serious inadequacies in the operation, maintenance and management of water supply and sewerage systems. The situation created health risks for residents in these communities, many of which were former government missions and reserves.

Under the *Aboriginal Land Rights Act 1983 (NSW) (ALRA),* former Aboriginal reserve lands were transferred to Local Aboriginal Land Councils (LALCs). There are 119 LALCs in NSW, which collectively manage the range of support services delivered at local level to their communities, including housing, legal affairs, employment, training and property acquisition and management. LALCs are governed by a board of elected Aboriginal community members, who are elected every two years. The NSW Aboriginal Land Council (NSWALC) comprises nine regional councillors who are elected every four years.

Land transferred under the ALRA is regarded as private land and consequently any infrastructure installed on Aboriginal land is private infrastructure and is therefore the responsibility of the landholder (the LALC). Local governments levy general rates on LALCs and levy charges for essential services (e.g. water, sewerage and waste management) where these are provided. However, as land was transferred to LALCs as a large single parcel of land, local governments were only responsible for these services up to the boundary of the land, even though there may be numerous dwellings on the land. It became the responsibility of the LALC to extend the services from the boundary to each dwelling, which could be several kilometres away in some communities.

The ALRA therefore brought with it a large number of responsibilities that the newly created LALCs were not familiar with, had little or no training in and were not funded for. This was compounded by the fact that much of the inherited water and sewerage infrastructure, where it existed, was generally sub-standard, with no adequate management plans in place. LALCs therefore assumed responsibility for the provision of essential services and infrastructure for those living on the communities, without the transfer of the requisite funding and skills base to adequately operate and maintain this infrastructure (NSW Aboriginal Land Council 2011, p.48). Mainstream local government support services had limited capacity to support LALCs with the ongoing management of their water and sewerage systems.

The majority of communities (82%) had water supply provided to their community boundary by the local water utility, and a small proportion (18%) totally managed their own supply. Approximately half (52%) are provided with sewerage services to the boundary, while the other half have independent systems—managed entirely by themselves. In many cases these communities do not have the technical or financial capacity to effectively manage this infrastructure, and system failures were not uncommon amongst those communities where the systems are wholly managed by LALCs (Legislative Council Standing Committee on Social Issues 2008, p.38).

The Australian Government has no statutory role in the provision or maintenance of water and sewerage services in Aboriginal communities. It has provided some limited capital funding to improve water and sewerage infrastructure through the former Aboriginal and Torres Strait Islander Commission (ATSIC), and now the Department of Families, Housing, Community Services and Indigenous Affairs (FAHCSIA), however, there has been no recurrent funding for repair and maintenance.

Service delivery under the Aboriginal Communities Water and Sewerage Program

The Aboriginal Communities Water and Sewerage Program aims to improve access to clean drinking water and the ability to safely dispose of waste water in discrete Aboriginal communities across NSW. These essential services are critical to improving the health of Aboriginal communities and make an important contribution to closing the gap between Aboriginal and non-Aboriginal people in NSW.

The funding program is managed by the NSW Office of Water and provides for the ongoing operation and maintenance of water supply and sewerage systems in 61 discrete Aboriginal communities in NSW, including:

- full routine operation and maintenance servicing of the water supply and sewerage systems in eligible Aboriginal communities;
- repairs or remedial maintenance to existing pipes, pumps, treatment plants and associated facilities to return them to full operational efficiency;
- emergency repairs to fix pumps or other equipment or infrastructure if it fails or breaks down;
- regular inspection to ensure the water supply and sewerage systems are operating correctly;
- regular maintenance, cleaning and servicing of the physical infrastructure, mechanical and electrical equipment, and treatment process units;
- regular collection and testing of water samples to verify that the water quality meets the agreed standards;
- preparation of management plans to identify any risks to the continued safe operation of the water and sewerage systems and identify what to do if something goes wrong; and
- limited funding for new capital infrastructure to upgrade systems to meet required standards (NSW Aboriginal Land Council 2011, p.49).

Service delivery under the program is coordinated under local service agreements between the LALC, Shire Council-owned and operated local water utility and/or other service providers and the NSW Office of Water. The five-year service agreements are negotiated to cover the ongoing operation and

maintenance of water and sewerage systems within the community. Local water utilities are often the best placed service provider to deliver these services and are therefore usually the first provider approached to deliver these services (NSW Aboriginal Land Council 2012). Independent contractors were directly engaged by the NSW Office for Water to provide services in around 15 communities, where the local water utility had no capacity to take on this work. It is understood that there are currently only 3 communities where this arrangement remains, with the gradual transfer of responsibility back to the local water utilities in all other cases, as the capacity to manage the service was established.

An Aboriginal Traineeship project has also been implemented under the Program, to assist Aboriginal people to obtain the necessary skills for employment with local water utilities. Funding of $120,000 over two years has been allocated to train eight Aboriginal people. This approach will ensure the development of local capacity through qualifications in water and waste water infrastructure, which will also assist in addressing current skills shortages in these remote areas. During the agreement-making process, service providers are encouraged to engage local Aboriginal people from the community to undertake some of the works and services where the capacity exists.

Funding model

The Aboriginal Communities Water and Sewerage Program is unique in that it provides significant long-term recurrent funding for maintenance, operations and repairs of water and sewerage infrastructure that is sourced from both the NSW Government and the NSWALC.

The agreement reached by the parties involved a commitment to jointly provide $205 million over 25 years to provide annual recurrent funding for the program, which will be adjusted to allow for inflation. Half of this funding is provided by the NSWALC[15] and the other half is provided by the NSW Government. The NSW Government has allocated additional funding for any required capital upgrade works and to cover the administrative costs of the program. The total 2010⁄11 allocation for the Aboriginal Communities Water and Sewerage Program was recently reported in the NSW Parliament as $10.055 million, including $6.484 million from the NSW Government.[16]

A significant feature of the funding model for the program is that it locks in what is sometimes called 'generational funding.' The funding providers have invested funding over a 25 year period in order to ensure long-term water and sewerage outcomes for Aboriginal communities. In the delivery of essential services to remote Indigenous communities, there have been few similar investments of this scale and over this period of time.

A further significant feature of this funding model is the co-funding arrangement between the NSWALC and the State Government. The direct funding contribution by the NSWALC to leverage matching funds from the State Government is a significant step by Aboriginal communities to secure sustainable delivery of essential water and sewerage services. The NSWALC contributions are paid from the Statutory Investment Fund, which was established to provide a capital base and revenue stream for the NSWALC by the NSW Government contributing 7.5 per cent of all land tax collected in

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[15] The NSWALC contributions are paid from the Statutory Investment Fund, which was established to provide a capital base and revenue stream for the NSWALC by the NSW Government contributing 7.5 per cent of all land tax collected in NSW between 1983 and 1998.

[16] Funding quoted in response to a question asked in NSW Parliament on 2 August 2011, as printed in Questions & Answers Paper No. 37.

NSW between 1983 and 1998. This funding is held for the benefit of the Aboriginal people of NSW. The NSWALC did not take the decision lightly to spend its own financial resources to guarantee the delivery of essential services that are provided as of right to mainstream communities. According to a councillor from the NSWALC:

> *It was a courageous decision by the current elected Councillors to fund half of this program, but in the end the decision was easy to make - we made it because it will have such a major impact on the health and well-being of our people* (Gordon 2009).

While this decision has already seen improved water and sewerage outcomes for many of the 61 targeted Aboriginal communities to date, it raises a fundamental question that is facing many Indigenous communities across Australia with access to new revenue streams as a result of native title settlements, social justice responses and other commercially-based negotiations. That is, should Aboriginal communities be using these sources of funding to establish special programs to improve access to government services or should such funds be targeted at other social and community development priorities? The NSWALC believes the program to be a valid use of community resources as it is a "program that will save lives" (Gordon 2009). In a sense, the NSWALC funding represents an indirect 'user pays' arrangement, whereby the NSWALC contributes to the services from its State-wide pool of funds managed on behalf of the Aboriginal population of NSW.

Governance

The program has been developed as a result of the historic 25 year, $205 million agreement between the NSWALC and the NSW Government. Oversight of the program is undertaken by a Steering Committee comprising representatives from NSW Office of Water, the Department of Aboriginal Affairs, NSW Treasury, NSW Health, NSWALC and the Local Government and Shires Associations of NSW. Its role includes the provision of strategic direction; oversight of program implementation; determining the eligibility of communities; reviewing progress and commitments; and determining the order of roll out to communities.

The program is managed by the NSW Office of Water, with operational works in Aboriginal communities undertaken by the local water utility or other service providers. This process is managed through the development of local service agreements between the LALC, local water utility and the NSW Office of Water. These five-year service agreements provide a new level of certainty and transparency for Aboriginal communities in relation to the ongoing costs of repairs and maintenance for water and sewerage services.

The program design incorporates a significant degree of community engagement before any work is carried out in a community. For example, the following steps are undertaken with each target community to ensure all participants are fully informed about the required works and services and their potential responsibilities:

- **PLAN** - plan for the works and services needed;
- **CONSULTATION** - discuss with the local community the planned works and services, including:
  - NSW Office of Water staff visit each eligible Aboriginal community to inspect water supply and sewerage facilities and to discuss what needs to be done;

- the LALC, community members, the local government council/local water utility, and other interested stakeholders are invited to have their say and help develop a plan for operations, maintenance and repairs needed at each eligible Aboriginal community;

- each community visit also involves a site inspection to identify obvious backlog maintenance works required to return the existing infrastructure to its full service capacity;

- notes of the outcomes of each visit are prepared by the Office of Water and made available to the attendees of the community visit for review and additional comment;

- **PROPOSAL** - Once the meeting notes have received the concurrence of the LALC, the local government council/local water utility is invited to prepare a fee proposal and timeframe to carry out the required operation and maintenance services and any backlog maintenance required;

- **AGREEMENT -** NSW Office of Water, NSWALC and the LALC all agree on the proposal and approve the start of agreed works and services;

- **ACTION -** Where appropriate, a local government council/local water utility will undertake the agreed works and services.

At the end of the 2010/11 reporting period, five-year service agreements had been signed for 4 Aboriginal communities, with negotiations well advanced for agreements in another 4 communities. The service agreements provide for local water utilities or other service providers to take responsibility for day-to-day operation and maintenance of water and sewerage systems. In addition to these long term agreements, interim arrangements have been put in place for service providers to take responsibility for the ongoing operation and maintenance of the water supply and sewerage services at a further 26 communities. Ideally these arrangements are for a shorter period of up to 6 months, while asset condition assessments are being undertaken by local water utilities.
Another key platform of the program includes preparation of risk based water and sewerage management plans for each community. These plans are designed to improve the understanding of the risks to water supply and sewerage systems, leading to better management by Aboriginal communities and fewer breakdowns. At the end of the 2010/11 reporting period, management plans had been developed for 55 communities (NSW Aboriginal Land Council 2011, p.50).

In summary, the program is founded on the principle of establishing partnerships between Aboriginal communities and local service providers to ensure local Aboriginal community input into the planning and delivery of essential water and sewerage services. Signed agreements are featured at all levels of the program, to ensure certainty, transparency and accountability for all partners, but particularly for the service receivers at the community level.

This approach also ensures a high level of local community involvement in determining both the level and type of services provided. Community members continue to have input into the ongoing management of the services through the LALC's role in the local agreements and by participating in the development and monitoring of the local level risk management plans.

Learnings from the case study

This case study provides another example of discrete Aboriginal communities struggling to deliver essential water and sewerage services, with little or no support from government and without the requisite funding or skills base to ensure services are delivered to a similar standard as in mainstream communities. The Aboriginal Communities Water and Sewerage Program has been implemented as a means to relieve LALCs of this service delivery burden and achieve improved water and sewerage service delivery outcomes for discrete Aboriginal communities.

While there has been no formal evaluation of the program to date, anecdotal evidence and the limited performance data available suggest that there have been considerable improvements in the provision of water and sewerage services in discrete Aboriginal communities since its inception in 2008 (Audit Office of New South Wales 2011, p.31; NSW Aboriginal Land Council 2009). The longer term outcomes of the program (over 25 years) are expected to include improved health in Aboriginal communities as a result of upgraded and fully functioning water supply and sewerage services. In addition, increased participation by Aboriginal communities in decision making processes about water and sewerage systems will improve their ability to actively participate in the development and implementation of their own water management plans.

As a model, the Aboriginal Communities Water and Sewerage Program is a centrally planned and managed State-wide program run for all discrete Aboriginal communities across NSW. A key feature of the program, however, is that each community is considered individually and a unique solution is developed to meet its particular needs. No solution is generic, with tailored local service agreements developed for each community's specific water and sewerage needs. It has therefore enabled Aboriginal communities to maintain input into local governance of essential service delivery, without the need to continue as service provider. In this way, the program provides a good case example of current trends to divest Aboriginal councils and community organisations of the unsustainable burden of delivering certain local government services, while maintaining local community input into the planning and coordination of such services.

Another important and distinguishing feature of this model is the dedication of a twenty-five year, generational funding commitment to improving water and sewerage services in these communities. Funding commitments of this timeframe and magnitude are quite rare, but are increasingly recognised as critical to achieve long term and sustainable improvements to these services in discrete Aboriginal communities.

The final notable feature of this model is that the program is jointly funded by the State Government and the NSWALC. The NSWALC has contributed substantial long term funding towards the program in order to leverage matching funding from government. The conventional avenue for 'user pays' contributions to water and sewerage services provided by local governments is through charges levied at the household level. In a sense, the NSWALC funding 'scales up' or socialises a large part of this contribution for Aboriginal households in discrete communities by using the collective pool of funds available through NSWALC for Aboriginal people across the State. This model exemplifies a more collective approach to implementing the user pays principle in delivery of local government services to Indigenous communities.

3.   Guiding principles for service delivery models

3.1   Introduction

Based on the analysis in the case studies, this Part draws out the key considerations that appear to be central to the design and implementation of any model for the funding and delivery of local government services to remote Indigenous communities in Australia. In jurisdictions that are looking to fundamentally reform the existing structures for remote Indigenous local government services, such as WA, it is prudent to consider the evidence base regarding the approaches that have been implemented or are being implemented elsewhere. Of course, there are wide-ranging differences between jurisdictions and regions in terms of demography, geography, land tenure, legislative environment, and the historical and cultural makeup of Indigenous populations. In Indigenous affairs, no model is easily transferable from one context to another. The design of a model for a particular context requires consideration of the unique characteristics of that context. Nevertheless, understanding what has worked and what has not worked in other contexts provides an opportunity to emulate successful elements of approaches elsewhere and to anticipate and plan for risks that experience shows are likely to arise.

3.2   Regionalised vs. community-based service delivery

Context

The question of the appropriate level for the governance and delivery of services to Indigenous communities has been a controversial one in Indigenous policy. The practice in this area has been aptly described by the Desert Knowledge Cooperative Research Centre as follows:

> *A constant feature of the governance of Aboriginal affairs is the reshuffling and fragmentation of functions to different levels of the system, with little analysis about which functions operate most effectively at which level, and with little input from Aboriginal people attempting to work with the system. As governments successively retreat from or advance onto the field, they decentralise and decentralise powers to different agencies operating at different levels in the system. While rescaling is generally driven by a consideration of efficiencies (i.e. costs per unit of output), this needs to be balanced by a consideration of effectiveness (i.e. impact of service function on intended consumers against intended outcomes). It is possible to have highly efficient services that fail to meet consumer demand or their intended outcomes* (Moran *et al.* 2009, p.31).

In the era of self-determination policy of the 1970s through to the 1990s, the predominant service delivery interface for remote Indigenous communities was local community organisations such as community councils, legal services, community-controlled health services, land councils, resource agencies, and a host of small corporations for a diverse range of social and cultural purposes. The self-determination era spawned several thousand of these organisations across Aboriginal Australia. In the past decade, however, the pendulum has swung towards a government preference for more regionalised service delivery, seemingly born out of a loss of faith in the capacity of smaller community-based organisations to manage funding and deliver quality services, along with a desire to 'normalise' the way in which services are delivered to Indigenous Australians (Sullivan 2011).

In this context, 'regionalised' delivery means any scale that is higher than the community level. In some jurisdictions, such as WA, this will mean shifting the delivery of services from local community councils to Shire Councils that typically operate out of larger towns at a 'subregional level'. In the NT, the Shires case study illustrates the shift to a more regionalised model as a result of the transition of local government service delivery from community councils and incorporated associations to new

'super shires' covering vast regions and based in regional centres or in Darwin. The APY Lands case study is a further example of this shift to regionalisation, as the Commonwealth Government has redirected municipal services funding from community councils to a regional service provider. In each of these examples, the move to a more regionalised service delivery system involves a scaling up of services that were previously governed and delivered on a community-by-community basis by local organisations.

Benefits and limitations of regionalised delivery

The Commonwealth Government's Office of Evaluation and Audit undertook case studies of the experience in the NT Shires and the APY Lands to explore the benefits and limitations of the regional service provision model for Commonwealth programs such as CDEP and MUNS. The evaluation summarised the perceived benefits and limitations of a regional service delivery model as follows:

Perceived benefits of regional service provision model	Perceived limitations of regional service provision model
Economies of scale – bundling service provision to several remote communities enables sharing of resources (e.g. waste truck)	*Undermined local responsibility and community ownership* – eliminates the community's involvement (usually via the community council) in the management of funding and key decisions about service delivery
Increased ability to attract Service Providers to areas that might otherwise be deemed 'too difficult' – regional provider can offer contracts covering multiple communities	*Risk of poor service delivery across multiple communities* – the problems of a poor provider will be multiplied across communities
Increased capacity to recruit staff with specialised skills sets – larger organisation can segregate administrative roles from service delivery roles; enables frontline staff to focus on service delivery	Reduced ability to tailor service delivery to meet the needs of individual communities – risk of less responsiveness to needs of communities
Enhanced capacity to absorb changes in staffing – with a greater number of staff, turnover can be managed better	*Drawing social capital away from communities* – may draw skills and experiences away from remote communities and into regional centres
Condensed reporting processes and increased reporting capacity – centralised reporting by staff with specialist reporting skills; also means fewer reports for government funding bodies	*Increased potential for communities to lose services* – because remote delivery is expensive, resource intensive and challenging, there is a risk of the regional provider opting out
Increased accountability and transparency – funding administered outside the community by larger organisation with more robust administrative systems	*Focus on core services only* – regional provider may focus on core services (roads, rates, rubbish) and neglect the other social type services that community councils provided
Increased service provision continuity across communities in a single region – service delivery consistency across region (but need to tailor to community needs)	

Distance from community politics – locating decision-making outside community separates service provision from politics, allowing service provider to be more impartial (but risk of limiting community input)	
Improved relations with government – larger providers can attract more contact from government and have better bargaining power than small community councils	

(based on Office of Evaluation and Audit 2009, pp.106-108)

Many of these benefits and limitations can be observed in the case studies documented for this report. For example, the NT Shires case study revealed that the perceived benefits of regional delivery regarding economies of scale have been difficult to achieve in remote areas where sharing of assets may not be viable. On the other hand, in the APY Lands the regional provider was able to use its pooled regional funding to operate two new rubbish trucks to service multiple communities from central depots (Anangu Pitjantjatjara Services Aboriginal Corporation 2009). The NT Shires case study indicates that the perceived benefits regarding attraction of more skilled staff and providing more effective centralised reporting and administration seem to have been partly realised, notwithstanding the difficulties in implementing new finance software.

Some of the perceived limitations of regionalised service delivery reported by OEA have manifested strongly in the case studies. This is particularly so in relation to the undermining of local responsibility and community ownership, which is a key theme of both the NT and the APY reforms. This issue is discussed further below.

Appropriate level depends on service
Experience has shown that the appropriate scale at which a service can be optimally delivered will depend on the particular service. In particular, key factors will include:

- whether the effectiveness of delivery is dependent on community-level inputs of users of the service; and
- whether delivery of the service involves technical skills that are unlikely to be available at the community level.

In relation to the first factor, the inevitable reduction in community control and input into service delivery under a regionalised model will affect the effectiveness of delivery of some services more than others. The risk of poor outcomes from regionalisation is greater where the service is one that depends more on the local inputs of users of the service to ensure it is responsive to needs. This is commonly the case for services of a social nature such as counselling or family support, or community development programs. On the other hand, there are services which must be delivered to a minimum technical standard for which regular community input is less important. Many local government services fall into this latter category. For example, the provision of waste collection services, the management of a rubbish tip and the maintenance of airports or other facilities are not services dependent on local decision-making or input. The NSW case study regarding water and sewerage service delivery is a good example of a type of service that is technical in nature to deliver

and has well defined minimum standards. Intensive community participation in the delivery of such a service is not critical to ensure an appropriate level of servicing is achieved. Thus, Aboriginal Land Councils in NSW at the local and State level were happy to negotiate for responsibility for water and sewerage services to be transferred from the LALCs to neighbouring local governments.

Research by the DKCRC revealed that Indigenous people often seek full community control of services "with a social or cultural dimension", but that:

> People had little interest in decision making about other functions and just want reliable access. For essential services (e.g. water, waste, roads) at Dajarra and Urandangi, people did not automatically indicate a preference for shifting more control to local organisations. In fact, some participants questioned the capacity of their existing local organisations to take on the role performed by service providers. They expressed the core issue as needing demands met and a good quality of service provided. This also extended to some municipal and commercial services (Moran *et al.* 2009, p.33).

In relation to the second factor, as the above quote implies, there are some services for which the technical skills are unlikely to be available in every community to manage or deliver the service. For example, Thurtell's (2010) recommendation that the service delivery model for the APY Lands include the employment of licensed electricians and plumbers operating regionally recognises that these technical functions are best delivered at a regional level in the APY Lands. The NSW reforms were driven by the fact that local Aboriginal communities clearly did not have adequate expertise to deliver water and sewerage services and improved results could only be achieved by involving specialist providers from the local government sphere.

Capacity of community-based organisations

Even for local government services of a technical nature, however, it should not be assumed that a community-level provider will never have the requisite capacity to successfully deliver the service. Determining the optimal level to deliver a service requires an assessment of not only the technical requirements of the service, but also the degree of capacity within the community where the service will be delivered. The Queensland experience demonstrates that even community councils operating in small Indigenous communities can develop the capacity over time to deliver local government services of a comparable standard to mainstream communities. Case study research on the Yarrabah Aboriginal Shire Council found that the Yarrabah community had worked assiduously over two decades to build local capacity to provide the full range of local government services using Indigenous managers and staff to a standard comparable to any rural town (Limerick 2009).

The DKCRC believes that the recent push by Commonwealth and State Governments to regionalise delivery of services to remote Indigenous communities has been too quick to dismiss the important contribution that local Indigenous organisations can play:

> Services would benefit from local organisations that are trusted, legitimised, respected and supported by government. This does not come easily. But the Indigenous sector poses a problem for any government. Government is clearly in need of the positive attributes which the Indigenous sector shares with other third-sector organisations, such as local wisdom, community credibility, expertise acquired through practice, and not least the willingness of its staff to work for less material reward and under more difficult conditions than public sector staff. Yet the pool of individuals and organisations that have these attributes is the same as that denigrated and regarded with suspicion at the political level of government. This mistrust must be turned around. Aboriginal and Torres Strait Islander community-controlled organisations are the hidden

ingredient for the success of Government's Aboriginal and Torres Strait Islander development objectives. The strategic importance of the sector as a whole is unrecognised in the government policy process, and the individual services that comprise the sector are undervalued. It is a complex sector, and with more support could make a wider contribution to the public good (Fisher *et al.* 2011, p.97).

While nepotism, factionalism and financial mismanagement are often the dominant narratives in public discourse about Indigenous community organisations, Sullivan (2011, p.11) argues that "the Indigenous sector functions well in the context of the challenging needs of its member/client base and its relative lack of material resources. Its development in the last three decades is testimony to the resilience and capacity of Aboriginal and Torres Strait Islander people in their communities." Reconciliation Australia's Indigenous Governance Awards have highlighted the high standards of governance and service delivery of numerous service delivery organisations in remote Australia in recent years, such as the Laynhapuy Homelands Association (Arnhem Land, NT) and the Wunan Foundation (Kimberley region, WA).[17] The Queensland experience has shown that building the governance and service delivery capacity of Indigenous community councils has been a long-term evolutionary process that started in the late 1980s and has only started to yield significant results in some locations during the past decade (Limerick 2009).

Combined regionalised and community-based service delivery models

Regionalised and community-based service delivery models need not be mutually exclusive. In their paper on service delivery to remote Aboriginal communities in the NT, Westbury and Sanders (2000, p.27) acknowledge that local community councils lack the capacity to run a wide range of services, but that they should instead be "complemented by, and linked into, larger specific-purpose regional service agencies (not merely replaced)." The case studies illustrate that regionalised service delivery models can incorporate delivery mechanisms at the community level. The delivery of services to remote communities in the Shire of Ngaanyatjarraku is effectively a shared responsibility between the Shire operating at the regional level and the community councils in each community. For some services, the funding is provided to the Shire, which then subcontracts local community organisations to deliver the service. There are instances in the NT where the new regional Shires have subcontracted the delivery of some services back to the community councils that previously delivered them.

As an alternative to subcontracting to local organisations, regional service providers can also ensure that they have a strong service delivery presence in client communities by employing local operational managers and service delivery staff, rather than basing service delivery staff in regional centres. For example, a key aspect of the NT reforms was the conversion of the previous community council CEO positions into the new Shire Service Manager positions in each community to manage local Shire service delivery. This ensured that a local service delivery presence was maintained despite the regionalisation of responsibility.

The advantages of this hybrid model include that:

- it makes use of the greater capacity that a single regional provider can provide in terms of administration and the technical aspects of service planning, leaving the community-level staff or subcontracted community service provider to focus on the frontline delivery of the service;

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[17] See http://www.reconciliation.org.au/igawards/.

- the community-based staff or subcontractor can be responsive to local needs from a service delivery perspective;

- the community-based staff or subcontracting organisation is more insulated from community political interference by delivering services in accordance with regionally defined standards;

- there are greater employment opportunities for local residents;

- where the regional provider employs local staff, these staff benefit from greater capacity building and training opportunities by being part of a larger organisation, along with supervision and direction of more skilled and qualified management staff; and

- where subcontracts are used, under the contract tendering arrangements, the regional provider can keep the community-based provider accountable for ongoing performance.

Thus, it is important for policymakers not to dismiss the role of community-based service provision in pursuit of the advantages of a regionalised approach. It is possible to design service delivery models that combine the benefits of both regional and community-based service provision.

Guiding principles

With respect to the issue of regionalisation of service delivery, it is possible to draw from the case studies the following guiding principles for service delivery model design.

Guiding principles

- there are both potential benefits and limitations from a shift to regionalised delivery of local government services and a realistic assessment of these is required before assuming that a regionalised approach will achieve better service outcomes

- the appropriateness of regionalised delivery will depend on firstly, whether service quality is dependent on community-level input of users and secondly, whether technical skills involved in delivering the service are available at the community level

- following from the last point, regionalised delivery is more likely to be appropriate for core local government services such as roads and waste management, and less likely to be effective for social or community development related services

- the capacity of community-based organisations to deliver effective local services should not be dismissed in the design of funding and service delivery models

- models that combine regionalised delivery with community-based delivery may be optimal in harnessing the benefits of both approaches.

3.3   Effect of regionalisation on community governance

The case studies of the NT local government reforms and the regionalisation of municipal services in the APY Lands demonstrate that the most challenging issue to manage in regionalising service delivery is the impact on Indigenous community governance. The experience in these two cases holds significant lessons for the proposal in WA to transfer responsibility for local government service delivery from Indigenous community councils to local governments.

This issue arises because in remote areas of SA, WA and NT, Commonwealth Government funding to community councils and other community organisations for local government services has historically underwritten a broader community governance and administration function within Indigenous communities. The portion of the Commonwealth's Municipal Services (MUNS) and CDEP

grants that is provided for administration purposes has given community councils the ability to employ staff and run a community office that has performed a role much broader than the services for which these grants are primarily provided. Key features of this function typically involve:

- a host of community management activities such as banking, postal services, emergency loans, internet access, organising travel, organising funerals and other miscellaneous tasks, which Thurtell (2007, p.43) estimated to account for more than half the time of Municipal Services Officers employed in community offices in the APY Lands;[18]

- supporting the functioning of the community council, as the elected representative body to advocate the community's interests; and

- providing the point of contact for Government agencies and other organisations seeking to engage with the community.

The impact of withdrawal of this funding on community councils is exemplified by the following quote from a community council staff member to the evaluation by the Office of Evaluation and Audit (2009, p.63):

At present [our] office provides banking, post office, small loans, internet access, childcare, aged care, governance support to Council, administration of municipal services and community housing. From 1 January we are unfunded for the delivery of municipal services; from 30 June we are unfunded for the delivery of housing services. Service delivery will have to stop when we lose the last of our core funding because the core funding [covered] the accounting, management and administration for the smaller grants. In addition, Council will be unable to employ a Community Administrator. This will remove our ability to develop activities, represent our people and link in with other Service Providers such as emergency services, child protection, land management planning etc.

It is evident that in both the NT and the APY Lands, the redirection of funds from community councils to regional service providers (the Shires, in the NT case) has undermined the community governance and administration function performed by community councils. The NT Government sought to maintain community governance capacity through the mechanism of the Shires creating local boards to represent the communities' interests in local government service delivery. As the case study in Part 2.1 reports, however, evaluations have found problems with this strategy. The Coordinator General for Remote Indigenous Services (2009, p.98) has noted that the success of the local boards has been "mixed, at best" and that the abolition of community councils "has left a community governance vacuum in some cases." As indicated in the case study, the NT Government has had to make available additional short-term funding to build the capacity of the boards and it is understood that a recent evaluation has recommended the creation of support positions.

The same problems have occurred in the APY Lands, where the redirection of municipal funding from the community councils to a regional service provider has diminished the capacity of community councils.[19] The cessation in 2010 of the Commonwealth Government's interim funding to the new regional service provider to continue support of some of these community councils prompted a move to establish new State Government-employed Community Council Support Officer positions.

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[18] In the WA context, the Local Government Advisory Board's 2008 report also highlighted that MUNS funding to community corporations in remote Indigenous communities was subsidising a similar range of community governance and administration functions.

[19] The Local Implementation Plans for the two APY communities included in the Remote Service Delivery strategy indicate that the community councils in these communities are defunct and in need of reincorporation.

These positions, however, fall well short of the level of support that the Thurtell report recommended as necessary to support the ongoing community governance function.

A key lesson from the regionalisation of local government service delivery in the NT and APY Lands is that insufficient consideration was given to the need for ongoing support to sustain the vital community governance and administration responsibilities of community councils. As Thurtell (2007, p.73) recognised, this is an important and distinct function that needs to be specifically funded. He cautioned that it is "unrealistic" to think that if it is not funded, "community members would be willing or able to take on and successfully undertake a vast array of community management functions without training, mentoring, support and payment for their labour" (2007, p.73). These words have been prophetic in the case of the NT, where community leaders have complained that the positions on the local boards are unpaid (Central Land Council 2010, p.34) and there have been concerns raised about the pressure on leaders to do unpaid work participating in a host of advisory groups resulting from the numerous reforms of recent years (Council of Territory Cooperation 2010, p.33).

In practical terms, the demise of community councils is a loss not only to residents of Indigenous communities who have depended on them, but also to governments. To develop and implement effective policies and programs in the Indigenous sphere, governments require input and advice from Indigenous people. The demise of the Aboriginal and Torres Strait Islander Commission as an Indigenous representative structure with a network of elected regional councils left a vacuum for government agencies wishing to consult and negotiate with Indigenous Australians. In the intervening years, governments have been forced to rely instead on community councils and other local Indigenous organisations as the representative voice of Indigenous people.[20] Allowing Indigenous community organisations to wither would be counter-productive to government interests.

Beyond this utilitarian view of the practical representative and administrative role performed by community councils, it needs to be recognised that Indigenous communities also have deep-rooted attachments to local organisations. They have become not just service providers, but "an expression of Aboriginal and Torres Strait Islander cultural identity within Australian society" (Sullivan 2010, p.11).

The experience of reforms in other jurisdictions raises the question of how to best achieve the benefits desired from regionalising local government service delivery without undermining the important community governance and administration function of community-based organisations. If governments are to take the view that local government services cannot be delivered sustainably by a community council, then how can the valuable role of these organisations be maintained under reformed arrangements? Thurtell's proposed model for the APY Lands envisaged that dedicated funds would continue to support the community administration functions of community council offices and that these organisations would switch their focus from local government services to other "community development and social initiatives that the community members want to progress" (2007, p.53). Under this approach, the basic community governance and administration function of community councils continues to be supported by core operational funding from government, which

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[20] The new National Congress of Australia's First Peoples may partially fill this vacuum, but it too is reliant on the strength of the Aboriginal community organisation sector for its representation and legitimacy.

the council can supplement through acquiring grants for other programs determined by community priorities.

An alternative along the lines of the NT Shires model is for the community council to be abolished and replaced by a local board supported by the local government. There are several lessons from the NT experience, including that:

- the board would need to be properly resourced and supported with administrative support and governance training; and
- consideration should be given to whether the role of the board will be broader than just advising on local government services, to enable it to continue to perform the general community governance role of the former community council.

The NT experience should also sound a caution against trying to address the issues of maintaining community governance capacity and ensuring community input into decision-making about local government services purely through a structural mechanism such as the establishment of a local board. As the DKCRC has found: "Our analysis is that there are certainly two central components to governance: structures and processes, but it is critical that these are considered in the right sequence, with appropriate processes taking precedence over structures" (Fisher *et al.* 2011, p.77). Thus, a change to a regionalised structure needs to support not just a community governance structure, but more importantly, a community governance process. For example, a position funded in an Indigenous community to support a local board ought to have a broader role of facilitating the board's engagement of the community in the processes of community governance, whether this be by convening community meetings, publishing a newsletter, conducting surveys on key issues or other engagement strategies. Appropriate forms of community governance will differ for every community, which is why the support provided needs to be focused on the capacity to appropriately engage people in governance processes, rather than simply maintaining a structure in the form of a board that meets occasionally.

The NSW case study illustrates an approach that has both a structural and a process solution to the problem of how to maintain Indigenous community input into a service that is being transferred from a community organisation to a regional provider. Before a local government or water utility takes over delivery of water and sewerage to a remote Aboriginal community, there is a process of consultation to discuss the planned works and services. Through its local representative body (the LALC) the community has input into and signs off on a five-year service agreement and participates in the ongoing monitoring of these agreements and associated risk management plans. So while the delivery of the water and sewerage service is being handed over to specialists, there is both a process and structure by which the community continues to have input into governance of the services.

A further learning from the case studies is the importance of full engagement with Indigenous communities throughout any reform to service delivery models. The NT reforms generated significant angst amongst Indigenous communities due to the top-down nature of the changes and a perceived lack of negotiation and communication about their implementation – issues exacerbated by the backdrop of heavy government intervention under the NTER. A reform process that does not engage with existing community governance processes and then proceeds to undermine community

governance as one of its side effects will be resented and probably resisted by Indigenous communities. To avoid this, the program of reforms to water and sewerage services for discrete NSW Aboriginal communities ensured that a participatory planning process involving community members and the LALC was initiated before any transfer of responsibilities from a community could occur.

The preceding discussion about the potential impacts of reforms on community governance gives rise to the following guiding principles for service delivery model design.

Guiding Principles

- in regionalising service provision, for many locations there is a critical risk of undermining important community governance and administration functions of community-based organisations (such as community councils), which can only be mitigated by:

- recognising this function as a distinct output independently of other services; and

- making provision for sustainable resourcing for this function, with a focus on how to sustain appropriate processes of community governance and not seeking a purely structural solution such as establishment of local advisory boards.

- as with any major reform, full engagement with Indigenous communities during the design of the model and ongoing negotiation and communication during its implementation is a prerequisite for success.

3.4   Service delivery benchmarking

A notable feature of several of the case studies in this report is the growing emphasis on benchmarking the standard of services delivered to Indigenous communities against national standards or at least minimum standards achieved in non-Indigenous communities of a comparable size and location. This approach is consistent with the fact that one of the three National Investment Principles in Remote Locations under COAG's National Indigenous Reform Agreement is that:

(a) *remote Indigenous communities and communities in remote areas with significant Indigenous populations are entitled to standards of services and infrastructure broadly comparable with that in non-Indigenous communities of similar size, location and need elsewhere in Australia* (Council of Australian Governments 2008, p.E-79).

In the case studies, this principle is evident as follows:

- The LIPs developed in the identified RSD communities in the NT and SA include detailed baseline mapping of the current services and service gaps. This mapping was informed by the Municipal and Essential Services Audits undertaken by the Commonwealth Government in 2009, which used a methodology of assessing Indigenous community infrastructure and services against "non-Indigenous comparator communities".

- In the NT local government reforms, each new Shire was required to develop a Service Plan spelling out how a standardised set of core local government services would be delivered to communities.

- The methodology for determining the funding for the Queensland Government's State Government Financial Aid grants to Indigenous Councils includes an assessment of the recurrent expenditure required to provide municipal services at an average standard no less

than that enjoyed by the wider Queensland community. The average standard is arrived at by reference to benchmarks gained from data collected from mainstream local governments across Queensland.

▪ The business case for investment in improving water supply and sewerage services in discrete NSW Aboriginal communities was founded on a survey of current infrastructure and service standards, which demonstrated the gap between current service levels and minimum acceptable service levels.

A challenging issue for all governments is the appropriate standard of service delivery for smaller Indigenous settlements, such as outstations or homelands. Since the 1980s, the Commonwealth Government has actively supported outstations by providing funding for municipal services. COAG's 2008 National Investment Principles, however, now include the following:

(c)   priority for enhanced infrastructure support and service provision should be to larger and more economically sustainable communities where secure land tenure exists, allowing for services outreach to and access by smaller surrounding communities, including-

(i) recognising Indigenous peoples' cultural connections to homelands (whether on a visiting or permanent basis) but avoiding expectations of major investment in service provision where there are few economic or educational opportunities; and

(ii) facilitating voluntary mobility by individuals and families to areas where better education and job opportunities exist, with higher standards of services (Council of Australian Governments 2008, p.E-79).

This suggests a shift in policy whereby the Commonwealth Government is no longer willing to fund the same standards of services in outstations or homeland settlements than was the case in the past. The Shire of Ngaanyatjarraku case study is notable for the fact that this Indigenous-run local government has implemented its own methodology for determining the extent of services that will be delivered in different sized communities.

The following guiding principle has clearly emerged as a fundamental tenet for the design of any services to remote Indigenous communities.

Guiding principle

▪ benchmarking service levels to be achieved in Indigenous communities against comparable non-Indigenous towns is an important starting point for planning the funding and delivery of services.

3.5   Coordination of funding and service delivery

Coordination mechanisms

A recurring theme in every report or review on service delivery in remote Indigenous communities is the challenge involved in coordinating the efforts of the myriad parties involved in this complex domain. The problems of coordination between the various tiers of government and the agencies within each tier are a common concern, but the situation is complicated further when the non-government organisation (NGO) sector is factored in, including both Indigenous community organisations and non-Indigenous NGOs. Increasingly in remote Indigenous communities, the private sector has now entered the playing field in the form of resource companies seeking to satisfy their

corporate social responsibilities or their land use agreement commitments to Indigenous traditional owners.

There have been a plethora of new models or approaches to achieving better service delivery coordination in the past decade, some of which are featured in the case studies in Part 2 of this report:

- the community 'negotiation table' approach implemented by the Queensland Government in the early 2000s and leading to Local Indigenous Partnership Agreements (LIPAs);

- the Local Implementation Plans being developed in RSD communities through the 'single government interfaces' established by the National Partnership Agreement on Remote Service Delivery (generally comprised of a Government Business Manager employed by the Commonwealth Government plus a Regional Operations Centre that combines Commonwealth and State agency staff);

- the Regional Partnership Agreement model used for the coordination of funding and services to the Indigenous communities on Groote Eylandt.

Despite all these efforts, it is notable that in recent research across multiple sites in remote Australia, the DKCRC reported that it "found little evidence to suggest that 'whole of government' arrangements are working" (Moran *et al.* 2009, p.27). The research included a case study of the Ngaanyatjarra RPA; the study had reached the conclusion that this RPA process had not been successful.

By contrast, the case study in Part 2.2 of the Groote Eylandt RPA demonstrates that the RPA process can result in an agreement that aligns the efforts of a range of stakeholders towards meeting identified community priorities. Most significantly, this RPA has been able to leverage commitments from not only government agencies, but also a mining company and the local traditional owner organisation. The desktop case study in this report has not ascertained the success of the implementation of the RPA, but the independent evaluation that is currently underway should provide valuable information about the efficacy of this model.

The LIP approach also appears to hold promise for better coordination of planning for remote community services. The 2011 six monthly progress report by the Coordinator General for Remote Indigenous Services has a cautiously optimistic tone about the potential of the new coordination arrangements and the LIPs to bring about real improvements in remote service delivery.

However, as the NT Shires case study indicates, concerns have been raised that the potential for mechanisms such as the Government Business Managers to bring about better local coordination do not appear to have been realised in practice because the scope of their role has been unnecessarily narrowed. A brief review of the LIPs also reveals that the degree of involvement of local governments and the extent of focus on local government service delivery issues has been variable. Local governments are noticeably absent from a meaningful role in the LIPs prepared for WA communities.

Streamlined funding models
A frequently-raised concern about government coordination is the fact that funding for remote community services is provided through fragmented program arrangements and short-term grant

processes that carry a high burden of reporting and compliance. A common suggestion to overcome this problem is the use of pooled funding models, whereby all government funding streams to a community for related purposes are aggregated into a single agreement with a single set of performance indicators and reporting requirements. Faced with the unwillingness of obdurate bureaucrats to adjust established program accountabilities, these proposals have rarely been realised in practice, but they continue to be put forward by optimistic advocates of reform. The case study of the APY Lands outlined the Thurtell (2010) report's recommendations for the pooling of all funds currently provided for local government services by State and Commonwealth agencies into a 3-year funding agreement. The Coordinator General for Remote Indigenous Services (2009, p.103) also recommended in his first six monthly progress report that the problem of red tape could be addressed through:

> *a whole of community head contract which aggregates funding by location rather than program. Accountability could be maintained by tying down outputs and outcomes rather than specifying inputs. As a first step this approach could aggregate Commonwealth funding in one schedule and state or territory funding in another.*

The Coordinator General's sensible proposal seems to have fallen the way of all likeminded proposals of the past. In his third progress report, the Coordinator General noted the response to this recommendation was that COAG had set up "an inter-jurisdictional working group to report on options for flexible funding approaches" and that this group had "proposed that Remote Service Delivery governance arrangements and the Local Implementation Planning process are the places to identify and address systemic issues impacting on effective service delivery including reducing red tape, achieving funding flexibility and assessing adequacy of funding" (2011, p.27). The Coordinator General commented that:

> *The proposed response is general and lacks specific detail about what will occur to drive the necessary reforms. I would like to see practical actions developed at the jurisdictional level by the time of my next report* (2011, p.27).

Opportunities to reframe the funding model for local government service delivery to remote Indigenous communities such as the WA reform proposals should revisit the concept of pooled funding with simplified accountability processes.

Guiding principles

The case studies suggest the following guiding principles relating to the coordination and streamlining of funding for delivery of local government services to remote Indigenous communities.

Guiding principles

- an effective mechanism for planning and coordinating the efforts of various parties in delivering local government services is crucial, and models such as Regional Partnership Agreements may be valuable in leveraging involvement from non-Government parties such as resource companies

- pooled funding models offer the potential to improve coordination of government inputs, clarify the outputs and outcomes being purchased by government funding, reduce the compliance burden, and facilitate greater flexibility in planning and delivering services that are responsive to needs.

3.6   Addressing resourcing challenges

The adequacy and long-term certainty of funding

High levels of need, high cost of services and limited resources are challenges faced by all service providers operating in remote Indigenous communities and these issues featured in the case studies. The difficulties for service delivery arise both from the manner in which funding is provided as well as the overall adequacy of the funding to meet the service needs. Problems in the way funding is provided include the lack of coordination, as discussed above, but also the lack of long-term funding certainty.

Long-term certainty in funding arrangements has never been a feature of the Indigenous services sphere. Funds for core local government services in Indigenous communities have often been provided through ad hoc grant processes, requiring annual submissions and acquittals that heighten the administrative burden and prevent long-term planning and service capacity development. The delivery of local government services in many locations has relied on programs such as CDEP, which has recently been the subject of significant reforms by the Australian Government. This problem was highlighted in the case study of the Shire of Ngaanyatjarraku, where CDEP reforms are affecting service levels. In the NT, Shires have had their funding boosted in recent years by the Northern Territory Emergency Response, but much of this funding will be discontinued in July 2012, with a consequent effect on Council services. The commonly employed 'band-aid' approach by Commonwealth and State Governments is exemplified by the interim nature of the funding for the Community Council Support Officers in the APY Lands. Thurtell's recommendation for the future service delivery model for APY Lands suggested that 3-year funding agreements be negotiated.

The reliance on finite program funding creates a challenge for organisations seeking to entrench sustainable service models. Local governments that will be taking on delivery of services to remote Indigenous communities in WA have made it clear that they expect that there will be long-term funding certainty underpinning this transition, in the form of 'generational funding'.

The 25-year funding commitment to address water and sewerage delivery in discrete Aboriginal communities of NSW is a good example of the generational funding that is required to close the gap in service delivery standards in a sustainable way. The scope for Indigenous councils in Queensland to gradually develop their capacity to deliver adequate local government services has only been possible with the certainty of guaranteed operational funding over two decades from the State Government Financial Aid (SGFA) program. While the available SGFA funding has often been assessed as inadequate by past reviews, its recurrent nature has at least allowed for long-term planning by the council recipients and recent increases are helping to address the shortfall.

While lack of funding certainty is a challenge, the adequacy of the overall funds available to deliver services to a minimum standard is perhaps a more significant problem. The model for the delivery of local government services in remote Indigenous communities has evolved in an ad hoc manner with local organisations cobbling together various State and Commonwealth funding sources to attempt to deliver an adequate level of services. On most measures, the municipal and essential services audits frequently conducted in remote communities over the past decade demonstrate that this approach has failed. Governments may be quick to blame the local community organisations that have provided these services, but the question has to be asked whether the resources were ever

adequate for the needs. If the answer is no, then simply transferring the responsibility to regional providers (such as local governments) will not solve the problem, but shift it to another domain. The effort to undertake baseline mapping of services, comparison with other non-Indigenous towns and costing of the total revenue requirements and the gap in current funding is a crucial exercise in addressing this issue. The transfer of responsibility to regional providers such as local governments in WA should not be countenanced without a realistic assessment of the funding requirements.

The NT Shires case study reveals concerns that these new regional Shires have taken on responsibility for the delivery of a mandatory core set of services to remote Indigenous communities without adequate resourcing. Particular issues that have been raised are that the condition of assets assumed by the Shires from community councils was not of the standard they expected and that road maintenance needs continue to be substantially underfunded.

The funding model for the Queensland Indigenous Councils is built on a recognition that FAGs, Commonwealth MUNS funding and a small amount of own source revenue will not be adequate for provision of local government services to the approximately 22,000 residents of remote Indigenous communities in Queensland. The Queensland Government recognises this through the provision of State Government Financial Aid grants totalling $31.7 million in untied funding and an additional $2.3 million for environmental health workers. Even with this recurrent funding, delivery of many local government services in Queensland communities was subsidised by CDEP labour in the past. The Queensland Indigenous Councils case study indicated that the Queensland Government has progressively refined the methodology for calculating the service delivery needs in remote Indigenous communities and this work is worthy of consideration in other jurisdictions.

The Aboriginal Communities Water and Sewerage Program in NSW comprises a very significant injection of $205 million over 25 years – more than $10 million was expended in 2010/11. This illustrates the scale of funding that is required to address infrastructure and service backlogs in Indigenous communities.

It is worth noting that the problems of ensuring adequate resourcing for delivery of local government services in remote Indigenous communities is not helped by in-built limitations in the Commonwealth Government's formula for allocating FAGs to local governments. Potential detriment to remote Indigenous communities occurs both in the way funding is distributed across States and Territories and in the way funding must be distributed within each jurisdiction:

- *Distribution across jurisdictions.* The distribution of FAGS funding amongst the States and Territories is determined by the Commonwealth Grants Commission. One of the six National Principles stipulated by the Commonwealth pursuant to the *Local Government (Financial Assistance) Act 1995* to guide grant distribution is the recognition of the needs of servicing Indigenous populations. This is taken into account in the formula that each jurisdiction uses in distributing its share of the FAGs pool. However, the Commonwealth's distribution amongst the jurisdictions is purely on a per capita basis and does not recognise the higher needs and costs for jurisdictions such as WA, NT and Queensland with larger and more dispersed Indigenous populations. It would be consistent with the Commonwealth's current 'Closing the Gap' policy framework for the higher needs of Indigenous communities to be

reflected in the allocation of FAGs to the States and Territories. Such a change would most likely require agreement to be achieved through the relevant Ministerial Council.

▪ *Distribution within jurisdictions*. A Commonwealth Government-imposed parameter that currently constrains the way FAGs are distributed within each jurisdiction is the minimum grant requirement. Under the Commonwealth legislation, each local government must not receive less than it would be entitled to if 30% of grants were distributed on a per capita basis. This means that larger metropolitan local governments that have strong revenue raising capacity and little need for equalisation nonetheless receive a minimum grant. This requirement disadvantages remote and Indigenous local governments that have much lower capacity to raise their own revenue and therefore a much greater need for funding subsidies to equalise service provision. Again, a change to the minimum grant requirement would require renegotiation at the Ministerial Council level, as well as an amendment to the Commonwealth legislation.

Raising 'user pays' revenue

As governments shift to a policy of 'normalisation' of the delivery of services to Indigenous communities (Sullivan 2011), there is an increasing expectation that residents of these communities will contribute to the cost of services they receive in the same way as residents in mainstream locations. This principle, often called 'user pays', is also linked to the notions of reciprocal obligation and shared responsibility that have become prominent in Indigenous policy as a counter to concerns about welfare dependency.

The case studies revealed that efforts to incorporate a greater degree of 'user pays' are features of recent reforms to local government service delivery. The reforms to public housing under the remote housing NPA have sought to bring tenancy arrangements in remote Indigenous communities into line with practices elsewhere, which includes:

▪ the housing authority paying rates (or in the case of unrateable Indigenous land, a 'rate equivalent) and service charges to the local government; and

▪ the tenants paying rent to the housing authority (which covers the rate equivalent and user charges paid to the local government for services to the property).

Of course, the extent to which this arrangement results in the user (the resident) paying for local government services depends on the success of the housing authority in collecting rent from the tenants, which has been a perennial challenge in remote Indigenous communities.

The case studies reveal some interesting differences in the calculation of rate equivalents and service charges in different jurisdictions:

▪ in the NT, the Government stipulated in 2008 the payment of an annual rate equivalent of $600 per property, and a waste management charge of $150 per bin;[21] and

▪ in Queensland, the annual rate equivalent paid by the State housing authority for properties in remote Indigenous communities is set at $2000 per property, which seems broadly consistent with rates paid in non-Indigenous remote towns.

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[21] These amounts appear to have risen in subsequent years due to indexation.

The Queensland Government has been encouraging remote Indigenous local governments to explore additional options for raising 'user pays' revenue. Of particular interest are:

- the scope for local governments to levy service charges on government facilities such as schools, hospitals and police stations located on Indigenous land, to recoup the cost of delivering services to these properties; and

- the unique provision under Queensland local government legislation for the levying of per capita fees on residents of remote Indigenous communities as an alternative revenue source to property-based rates.

The case study of the NSW Aboriginal Communities Water and Sewerage Program is notable for the fact that the element of 'user pays' by the residents of the Indigenous communities occurs at the Statewide program level, where the NSWALC has committed half of the funding for the program out of the funding pool it manages on behalf of the Aboriginal people of NSW. Thus, the residents of the Aboriginal communities receiving the services are paying not at the individual household level, but through the funding managed on their behalf by the NSWALC.

Guiding principles

The case studies reinforce the following guiding principles for the design of models for local government service delivery to remote Indigenous communities.

Guiding principles

- long-term certainty of funding for services is a critical component of any service delivery model

- poor service delivery outcomes in remote communities to date point to the likelihood that it is not just the model of service delivery that has been deficient but the adequacy of the overall funding available. It needs to be recognised that a simple reallocation of existing funding streams will not be adequate to guarantee minimum required levels of local government services. Improved methodologies for calculating expenditure needs and gaps in current funding will be critical to scope the total funding requirements for an acceptable minimum level of local government services in Indigenous communities

- opportunities for local governments to raise additional 'user pays' revenue need to be incorporated in funding models, including the scope for: 'rate equivalents' on public housing; service charges on government agency occupiers of community land; per capita fees as an alternative to property-based rates; and co-funding contributions by Indigenous representative bodies

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3.7   Impacts on employment and economic development

A final issue that is underlined by the case studies is the need to consider potential impacts on Indigenous community employment and economic development arising from reforms to the delivery of local government services. In the absence of a robust private sector, remote Indigenous communities rely heavily on the public sector for employment opportunities. For example, a Charles Darwin University report indicated that in the Daguragu community in the NT, average individual annual income was reported in 2006 at $11,492 per resident and the Daguragu Community Government Council's employee costs in 2006-07 averaged $3,183 per resident, which suggests that 28% of all individual income in the area was received as wages and salaries from the local

government (Michel, Gerritsen and Thynne 2010, p.10). Census data further showed that 47.3% of all persons employed in this community were employed by the community council.

This reliance on community councils for employment exacerbates the potential impacts on local employment of defunding community councils and redirecting funding to regional providers, such as the new NT Shires. The NT Shires case study indicated that efforts were made to manage this transition through the Shires taking over employment of the former community council staff,[22] although some community concerns have nevertheless been raised about increased use of external contractors. The case study reveals that overall local government employment has increased in the NT. Although some of this increase reflects employment of non-Indigenous managers in regional centres, an apparent positive outcome has been that the Shires have exhibited a greater HR and administrative capacity than the former community councils to recruit and retain people in jobs at the community level. Another measure to enhance local employment is that the Local Government Association of NT (LGANT) has sought changes to the local government accounting regulations to enable the Shires' tender processes to factor in steps to ensure employment of more local Indigenous people (Council of Territory Cooperation 2010, p.33). LGANT is also assisting Shires with workforce planning, which should further boost their capacity to recruit, train and retain local Indigenous staff.

Following the regionalisation of MUNS funding in the APY Lands, the regional provider, Regional Anangu Services, reported an increase in its proportion of employees drawn from the APY communities (Regional Anangu Services Aboriginal Corporation 2010). This suggests that it should be possible for a regional provider to boost local Indigenous employment if this is a business priority. A potential benefit of service delivery by a regional organisation is the greater capacity to provide better direction, support and training to community-based staff. In NSW, a benefit of scaling up water and sewerage services into a program managed at the State level has been the capacity to fund Aboriginal traineeships for employment in local water utilities.

In addition to impacts on local employment, changes to local government service delivery may affect economic development through their impact on community organisations that have previously held contracts for delivering services. A means of reducing this impact is for regional service providers to subcontract to local organisations to deliver services, as has occurred in some locations in the NT.

The potential economic and employment impacts of service delivery models give rise to the following additional design principle.

> *Guiding principle*
>
> ▪ service delivery models need to take account of the impacts on employment and economic development in remote Indigenous communities, especially the scope for the delivery of local government services to be a vehicle for building local skills and businesses if they are delivered using a capacity-building ethos.

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[22] In the Queensland local government amalgamations, the State Government imposed a 3 year moratorium on any forced redundancies to ensure that existing local government staff transitioned to the newly amalgamated councils and there were no short term job losses from the process.

4.   Conclusion

The case studies of service delivery to remote Indigenous communities in different parts of Australia reveal a domain that is in a state of flux. The common theme is that the standard of local government services delivered to remote Indigenous communities has been inadequate to date, and governments and communities share a desire to close the gap in service standards compared with mainstream communities. Unfortunately, there are few examples of best practice service delivery to draw on and stakeholders in every region are confronting similar challenges of fragmented and uncoordinated government efforts, high levels of need, lack of local capacity in governance and service delivery and inadequate resources. The case studies do, however, provide evidence about the key considerations that will need to be taken into account in the design of any model for funding and delivering local government services in remote Indigenous communities. Moreover, identifying the successful features and common shortcomings in the models under review enables the formulation of some guiding principles that may assist to guide the design or further development of funding and service delivery models in the future.

These guiding principles can benefit policymakers, practitioners and researchers alike. The up to date information and analysis in this report will not only inform jurisdictions like Western Australia that are involved in the process of transitioning the responsibility for municipal service delivery in remote Indigenous communities from the Commonwealth to local governments, but will also provide helpful insights for those jurisdictions focussing on improving local government service delivery in Indigenous communities. It is through research of this nature that ACELG's national strategy for building the capacity in rural-remote and Indigenous councils can provide an evidence base for improving policy-making and practice across the local government sector in Australia.

The guiding principles derived from this research are summarised under the broad thematic areas that emerged from the case studies as follows:

Regionalised vs. community-based service delivery

- *there are both potential benefits and limitations from a shift to regionalised delivery of local government services and a realistic assessment of these is required before assuming that a regionalised approach will achieve better service outcomes*

- *the appropriateness of regionalised delivery will depend on firstly, whether service quality is dependent on community-level input of users and secondly, whether technical skills involved in delivering the service are available at the community level*

- *following from the last point, regionalised delivery is more likely to be appropriate for core local government services such as roads and waste management, and less likely to be effective for social or community development related services*

- *the capacity of community-based organisations to deliver effective local services should not be dismissed in the design of funding and service delivery models*

- *models that combine regionalised delivery with community-based delivery may be optimal in harnessing the benefits of both approaches.*

Effect of regionalisation on community governance

- *in regionalising service provision, for many locations there is a critical risk of undermining important community governance and administration functions of community-based organisations (such as community councils), which can only be mitigated by:*

- *recognising this function as a distinct output independently of other services; and*

- *making provision for sustainable resourcing for this function, with a focus on how to sustain appropriate processes of community governance and not seeking a purely structural solution such as establishment of local advisory boards*

- *as with any major reform, full engagement with Indigenous communities during the design of the model and ongoing negotiation and communication during its implementation is a prerequisite for success.*

Service delivery benchmarking

- *benchmarking service levels to be achieved in Indigenous communities against comparable non-Indigenous towns is an important starting point for planning the funding and delivery of services.*

Coordination of funding and service delivery

- *an effective mechanism for planning and coordinating the efforts of various parties in delivering local government services is crucial, and models such as Regional Partnership Agreements may be valuable in leveraging involvement from non-Government parties such as resource companies*

- *pooled funding models offer the potential to improve coordination of government inputs, clarify the outputs and outcomes being purchased by government funding, reduce the compliance burden, and facilitate greater flexibility in planning and delivering services that are responsive to needs.*

Addressing resourcing challenges

- *long-term certainty of funding for services is a critical component of any service delivery model*

- *poor service delivery outcomes in remote communities to date point to the likelihood that it is not just the model of service delivery that has been deficient but the adequacy of the overall funding available. It needs to be recognised that a simple reallocation of existing funding streams will not be adequate to guarantee minimum required levels of local government services. Improved methodologies for calculating expenditure needs and gaps in current funding will be critical to scope the total funding requirements for an acceptable minimum level of local government services in Indigenous communities*

- *opportunities for local governments to raise additional 'user pays' revenue need to be incorporated in funding models, including the scope for: 'rate equivalents' on public housing; service charges on government agency occupiers of community land; per capita fees as an alternative to property-based rates; and co-funding contributions by Indigenous representative bodies*

Impacts on employment and economic development

- *service delivery models need to take account of the impacts on employment and economic development in remote Indigenous communities, especially the scope for the delivery of local government services to be a vehicle for building local skills and businesses if they are delivered using a capacity-building ethos.*

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ABOUT ACELG

ACELG is a unique consortium of universities and professional bodies that have a strong commitment to the advancement of local government. The consortium is led by the University of Technology Sydney's Centre for Local Government, and includes the University of Canberra, the Australia and New Zealand School of Government, Local Government Managers Australia and the Institute of Public Works Engineering Australia. In addition, the Centre works with program partners to provide support in specialist areas and extend the Centre's national reach. These include Charles Darwin University and Edith Cowan University.

PROGRAM DELIVERY

ACELG's activities are grouped into six program areas:

- Research and Policy Foresight
- Innovation and Best Practice
- Governance and Strategic Leadership
- Organisation Capacity Building
- Rural-Remote and Indigenous Local Government
- Workforce Development

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