

Review by the Associate Secretary



On 1 July 2004 the department's Indigenous responsibilities changed substantially. A special office, the Office of Indigenous Policy Coordination (OIPC), was set up to coordinate and drive the Government's 'new arrangements in Indigenous affairs'.

The new arrangements were announced by the Prime Minister and the Minister for Immigration and Multicultural and Indigenous Affairs (the Minister) on 15 April 2004, and took effect from 1 July 2004.

While ensuring continuity of services and programs to Indigenous people, they also initiated profound changes in the Government's relationship to Indigenous people and in government methodologies, at both the national and the regional/local levels.

On 25 June 2004 the new arrangements were buttressed through the endorsement by the Council of Australian Governments (COAG) of a *National Framework of Principles for Delivering Services to Indigenous Australians*. Endorsement of this framework consolidated the new era of cooperative federalism in Indigenous affairs that had been developing since 2000.

Taking forward what our Minister often describes as a 'quiet revolution in Indigenous affairs' has been a significant challenge for OIPC, which I believe OIPC is meeting. In our first year we established a new entity, including new staffing for much of the leadership team of OIPC, established credibility with stakeholders, and set important directions for the future which are now being realised.

ABOUT THE NEW ARRANGEMENTS

In summary, the new arrangements involved:

- the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the associated service delivery agency, Aboriginal and Torres Strait Islander Services (ATSIS)
- the transfer of ATSIC-ATSIS programs (representing over a third of the Australian Government's Indigenous-specific expenditure) to the agencies managing similar programs for all Australians, to be managed under a new whole-of-government approach that also covers mainstream services to Indigenous people
- the establishment of a Ministerial Taskforce (MTF) on Indigenous Affairs to oversee this approach and set the Government's national Indigenous priorities, with support from a Secretaries' Group on Indigenous Affairs and advised by a National Indigenous Council (NIC)

- partnerships with the states and territories through bilateral agreements consistent with COAG's 2004 National Framework
- the establishment of a network of 30 Indigenous Coordination Centres (ICCs) in metropolitan, regional and remote Australia to manage most of the Australian Government's Indigenous programs and, most importantly, to broker innovative responses to local Indigenous needs through Shared Responsibility Agreements (SRAs) and Regional Partnership Agreements (RPAs).

Profound changes therefore affect not just the machinery of government, but the methodology of government and the ways government engages with Indigenous people.

Through ICCs, the Australian Government is now dealing directly with Indigenous communities under the principle of 'shared responsibility', acknowledging that both government and Indigenous people must work together to overcome Indigenous disadvantage. SRAs are one important tool to achieve this. SRAs are agreements between the Government and Indigenous families and communities, to provide a discretionary benefit in return for community obligations. These benefits may take the form of extra services, capital or infrastructure, over and above essential services or basic entitlements. Through SRAs, more flexible and coordinated funding is being made to respond to community priorities and needs, as articulated by communities.

Shared responsibility is also being pursued at the regional level, through RPAs and through the bilateral agreements being developed with state and territory governments to clarify roles and responsibilities, to close gaps in service delivery and to overcome duplication.

The new approach arose from a reassessment in response to the seemingly intractable disadvantage of Indigenous people. Despite significant government expenditure over many years, Indigenous people remain far more likely than other Australians to be unemployed, poorly educated, inadequately housed and in poor health. This was only recently reconfirmed with the (July 2005) publication of the second of a series of reports by the Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators*, examining data from periods preceding the new arrangements.

The new arrangements are designed to tackle systemic barriers that have contributed to this situation. In particular, the effectiveness of Indigenous program funding has often been undermined by a lack of coordination among the various agencies administering it; confusion over roles and responsibilities of different levels of government; the limitations of short-term programs with inflexible guidelines; and poor management on the part of the organisations or bodies serving as 'gatekeepers' between government and Indigenous communities around Australia. Overcoming weaknesses in the delivery of mainstream services to Indigenous people is also a key issue, including the provision of essential services to remote Indigenous communities.

Over recent years COAG has been trialling more flexible and coordinated responses to Indigenous needs at eight trial sites. The new arrangements draw on the lessons being learnt from these trials and the results of inquiries and research.

Role of OIPC

OIPC has a central role in the new arrangements. It was set up to coordinate and drive whole-of-government innovative policy development and service delivery across the Australian Government, and to be the primary source of advice on Indigenous issues to the Minister for Immigration and Multicultural and Indigenous Affairs.

OIPC's specific responsibilities arising from the new arrangements include:

- supporting the work of the MTF, Secretaries' Group and NIC
- overseeing policy development and implementation of SRAs at the local/ community level and RPAs at the regional level
- the negotiation of bilateral agreements between the Australian Government and the states and territories
- facilitating the development of a whole-of-government Indigenous Budget
- monitoring, evaluating and reporting on the performance of programs across government
- managing and supplying common services to the ICC network
- communicating Government policy directions to the Indigenous and general communities.

OIPC also has limited but significant program responsibilities, most notably:

- administration of Commonwealth land rights legislation and the Professional Services to Native Title Claimants Program
- supporting SRA and RPA development
- implementation of the Government's initiatives on Indigenous women's leadership
- assisting the repatriation of Indigenous human remains held in overseas collections
- Reconciliation, including through continued development of Reconciliation Place in Canberra
- administration of the *Aboriginal Councils and Associations Act 1976* through the Office of the Registrar of Aboriginal Corporations. The Registrar is an independent statutory officer appointed by the Minister.

Progress with the new arrangements

While the reform process in Indigenous affairs is being progressively extended, important steps have been taken in 2004–05 to coordinate Australian Government funding, work with the states and territories, and to promote the principle of shared responsibility among Indigenous communities.

The mechanics of implementing the new arrangements are described under Outcomes 3 and 5 of this report. I would like to develop this review by discussing the two main principles underlying the arrangements. These are:

- whole-of-government coordination
- real engagement with Indigenous people.

COORDINATION

At the national level

At the national level coordination is being led by the MTF, comprising all Ministers with Indigenous responsibilities, and the Secretaries' Group on Indigenous Affairs, comprising all Secretaries with significant Indigenous program responsibilities. OIPC supports the work of these groups, and assisted the MTF to develop its charter and priorities. The three national priorities set by the MTF, refined by input from the NIC, are:

- early childhood intervention, a key focus of which will be improved mental and physical health, and in particular primary health, and early educational outcomes
- safer communities (which includes issues of authority, law and order, but necessarily also focuses on dealing with issues of governance to ensure that communities are functional and effective)
- building Indigenous wealth, employment and entrepreneurial culture, as these are integral to boosting economic development and reducing poverty and dependence on passive welfare.

These three priorities guided an historic Budget development process for 2005, whereby all new policy proposals from Ministers on Indigenous issues were considered together, and strategic decisions taken on allocating funds to tackle the MTF's priorities and minimise duplication and overlap. Overseen by OIPC, the single Budget process gives the Government the flexibility to reallocate funds across the total Indigenous 'pool' as well as deciding where new funding should be directed, including to measures that have demonstrated their worth. Drawing on mainstream resources and providing guidance on mainstream initiatives with a significant impact on Indigenous people is also part of this historic approach to budgeting.

At the regional and local level

At the regional level, coordination of Australian Government programs is the responsibility of ICCs, which in rural and remote areas are multi-agency units. These programs used a common Program Funding Agreement (PFA) in 2004–05 and OIPC oversaw refinements to the PFA for the forthcoming financial year, in collaboration with managing agencies. Program payments were managed within a common system, administered by OIPC.

OIPC also initiated a project to develop an Indigenous information management system to support the long-term policy and reporting requirements of ‘joined up’ government. The Australian Government Indigenous Management Information System (AGIMIS) will collect data and provide reports to monitor government investment, initially on Indigenous-specific activity and potentially on mainstream services accessed by Indigenous people.

Though programs still exist, we are progressively moving to a situation where funds will be applied flexibly and strategically in response to need through the negotiation of SRAs. OIPC oversaw the national roll out of SRAs in 2004–05. With a Government target of 50 SRAs at the end of the first year of the new arrangements, OIPC, working with ICCs and Indigenous communities achieved 76 SRAs involving 64 communities.

The Government is also keen to develop RPAs to tailor government interventions across a whole region and progress was made in negotiating a number of RPAs during the year.

Agreements with the States and Territories

For whole-of-government to mean what it says in a field like Indigenous affairs, then state/territory government programs and services must be coordinated with investment provided by the Australian Government.

The principal means of pursuing inter-governmental coordination has been the negotiation of bilateral agreements under COAG’s National Framework of Service Delivery Principles. The first agreement, with the Northern Territory, was signed in April 2005 by the Prime Minister and the NT Chief Minister. The two governments agreed on five priority action areas and the first schedule to the agreement sets out a number of initial joint areas of action—housing, the arts industry and regional government—in accordance with these priorities. By the end of 2004–05, agreements were close to finalisation with a number of other states.

In South Australia there have also been important developments in inter-governmental coordination involving the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the state’s far north. The state and Australian Governments are sponsoring a new peak body, Tjungungku Kuranyukutu Palyantjaku (TKP), comprising government representatives and representatives of regional Indigenous organisations.

The next step will be the development of an RPA, and the negotiation of SRAs with communities on the APY Lands.

In addition, some states have seen merit in co-locating their staff with ICCs and in June 2005 it was announced that staff of the New South Wales Department of Aboriginal Affairs would join selected ICCs in the coming year.

Development coordinators

An important development in relation to the Northern Territory and South Australia is the placement of ‘development/service coordinators’ in historically under-served areas of remote Australia. Under the NT bilateral agreement, both governments committed to fund Development Coordinators in the three established Regional Authority areas (Indigenous local government units) and in six proposed areas. A cross-government agreement for the APY Lands is also seeing the placement of development and service coordinators there.

The coordinators will be directly engaged in community consultation, coordinating service delivery and developing community capacity. This on-the-ground presence will help to ensure that government investment is effective, and help bridge the gap between government service providers and the community. As this model becomes fully developed and operational, its utility in other remote areas will be considered.

Harnessing the mainstream

The new arrangements are also actively addressing the issue of ‘mainstream’ programs—that is, programs and services delivered by governments for all Australians. Historically, Indigenous people have been low users of mainstream programs, for a number of reasons including barriers to access. As a result Indigenous-specific programs have had to do too much work—many have substituted for mainstream programs rather than providing the extra resources required to respond to the special needs of Indigenous people.

In designing whole-of-government service delivery in the new environment, it is therefore critical that the performance of mainstream programs is also improved. This principle underlies our work with state/territory governments which are responsible for many mainstream services.

The single Indigenous Budget process exemplified the benefits of the new approach where mainstream agencies were able to identify extra funds for Indigenous Australians from within their own allocations in the 2005–06 Budget. More than half of the over \$500 million in new and extended funding over four years was redirected from mainstream agencies into Indigenous-specific funding.

Though progress has been made, a great deal more needs to be done to ensure that mainstream programs are used to meet Indigenous needs and are accessible to Indigenous people.

ENGAGING WITH INDIGENOUS PEOPLE

In March 2005, the new arrangements saw the abolition of ATSIC, a legislated Indigenous representative structure, following an extensive Government review of that organisation. The Regional Councils established by the ATSIC Act continued until 30 June 2005.

The Government has moved away from imposed structures in favour of more direct engagement at local and regional levels, including through SRAs and RPAs, working with bodies established by Indigenous people themselves.

At the national level, the NIC was established to advise the MTF. This is not a representative but an expert group.

SRAs

The 76 SRAs signed at 30 June 2005 embody a variety of solutions to the problems and needs of the Indigenous communities making the agreements. The focus this year has been on simple, single-issue SRAs that are meaningful to communities and provide examples of what SRAs can achieve. Over time, SRAs will become more extensive, building towards a community's long-term vision for the future.

Red tape removal

Another focus of our efforts in 2004–05 has been to begin identifying unwarranted 'red tape' and blockages in funding and other relationships between government and Indigenous communities. A consultancy was let for an in-depth analysis of funding and accountability arrangements and the impact of doing business with government in 2–3 communities nationally, supplemented by additional information collection and analysis in 15–20 communities.

Regional representation

In relation to regional representation, the Government does not want to impose structures, but work with the arrangements that are devised locally or regionally and accepted by a majority of Indigenous people. This is likely to produce a wide variety of representative models, which is entirely appropriate given the diversity of Indigenous circumstances.

During 2004–05 many Regional Councils and other Indigenous organisations worked actively with communities to identify new representative and engagement arrangements. A considerable number have already finalised their proposals and others are in the pipeline.

In the Northern Territory, the territory government has indicated that it would like to proceed through the creation of strong 'regional authorities' (based on existing community councils), which will be the key mechanism for guiding service delivery

and representation at the regional level. This strategy is described in a schedule to the Australian Government's bilateral agreement with the Territory.

Negotiations for RPAs are well advanced in several areas, and the Indigenous arrangements that are emerging at a regional level provide a mechanism for beginning discussions on further RPAs.

RPAs provide the basis for recognising and dealing effectively with the range of bodies that will evolve, including resolving the nature of resourcing to support their engagement with us. This is something we aim to settle in conjunction with state and territory governments, given the desirability of a joint approach within each jurisdiction to our regional engagement arrangements with Indigenous people.

Reform of the Aboriginal Councils and Associations Act

The legislation introduced in June 2005 to create a new Corporations (Aboriginal and Torres Strait Islander) Act is another historic event, and the culmination of years of work on the part of the Registrar, Laura Beacroft, and her office.

The original Act legislated in the 1970s provided a simple means of incorporation for Indigenous groups so that they could receive grant funding from government or hold title to land. An independent review of the Act and extensive consultation in the wake of the review concluded that the Act should be made more flexible and provide a better means of strengthening the governance of the 2600 or so Indigenous organisations now incorporated under the Act.

The Corporations Bill is an important plank in the Government's reforms, since it will help to ensure a functioning Indigenous community sector providing better services to clients and better results.

Key features of the legislation include:

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

The new legislation is planned to commence on 1 July 2006 allowing time for corporations to make the transition.

This reform together with the new arrangements for Indigenous representation are part of the same broad consensus: that governments cannot effectively impose structures on Indigenous people and must be more attentive to local needs and circumstances.

LOOKING FORWARD

While OIPC can be proud of its achievements in many areas, over the coming year we expect to see progress broadened, both within our own sphere and in conjunction with other levels of government.

Wider systemic reforms will be progressed through the MTF and Secretaries' Group in a number of key areas:

- ensuring that Indigenous people have better access to and usage of mainstream programs and funding, including greater accountability of service providers
- ensuring that programs (both Indigenous-specific and mainstream) are flexible enough at the local level to support the evolution to more comprehensive SRA work
- looking at some of the constraints facing discrete Indigenous communities in particular, where access to essential services is patchy and where communities often rely heavily on Indigenous-specific programs such as Community Development Employment Projects (CDEP) and the Community Housing and Infrastructure Program for basic services generally enjoyed by other Australians
- clarifying roles and responsibilities with the states and territories and ensuring that each plays their part in achieving better outcomes.

Priorities for OIPC will include:

- implementing current SRAs and expanding the coverage and scope of SRAs
- working at the regional level to develop RPAs with Indigenous groups, including involvement by states and territories
- finalising bilateral agreements, and coordinating implementation of the commitments entered into with states and territories
- coordinating the next Single Indigenous Budget Submission
- consolidating OIPC's reporting and evaluation function, which will become increasingly important as the new arrangements develop. In the coming year we will be evaluating the work undertaken at the COAG trial sites and through the first round of SRAs.

OIPC has made a good start, but a great deal remains to be done before we will reap results in the form of significantly improved outcomes for Indigenous people—the long-term aim of the new arrangements in Indigenous affairs.

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