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A survey of the ideas and
literature on demand responsive
services for desert settlements:
An economist's viewpoint

Owen Stanley

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on demand responsive services for
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1. Introduction

This paper provides:

- A brief overview of the part of economic theory relevant to understanding the relationship between the consumption of government services and economic development.
- A discussion, based on economic theory, of the issues relating to the development of a demand responsive service delivery model for settlements.
- A bibliography with brief descriptions of published material that could help researchers who are developing a demand responsive model of service delivery.

The task of considering the development of a demand responsive service delivery model can be divided into two parts. The first is to establish that the consumption of the services being discussed is important for economic development. If it is important, then the second issue is to decide which model of service delivery is the best; if not, the optimal mode of delivery is of little importance. Section 2 discusses the first issue and concludes that services are important to development. Section 3 discusses the efficacy of a demand responsive – or near market – mode of delivery of services to settlements.

The services being discussed here are the standard services that are normally provided to settlements by governments or settlement organisations. They include services in the areas of education and training, health, housing, electricity, water and sewerage, town maintenance, and law and order.

2. The importance of consumption of services to economic development

2.1 Theory of development policy

The literature on the theory of economic development is extensive and no attempt will be made here to provide an overview. The following discussion provides a brief outline of the elements of the theory of development policy.

Applications of the theory of economic development policy have been very successful in recent years, transforming once poor countries into very rapidly developing countries. Some of these countries have achieved per capita income growth rates of over ten per cent per annum for substantial periods. One of the advantages of rapid economic growth is that, while there are exceptions, both the rich people and the poor in developing countries become better off. These development policies may be called the modern development paradigm. The paradigm has been followed by the Asian Tiger countries (Taiwan, Singapore, Hong Kong, and South Korea), though with variations to reflect their local conditions. This paradigm is also strongly promoted by development organisations around the world, especially the World Bank and the Asian Development Bank.

This development policy paradigm can be described as a set of policies in seven basic areas:

- **Globalisation** opens economies to international trade by reducing tariff protection and making employment conditions more flexible. This allows economies to specialise in producing commodities in which they have a comparative advantage. This will lead to increased exports and the economy's costs will fall. Overall employment should increase, including in new types of occupations, and there will be dramatic restructuring. New technology will be adopted, and it is often the most modern technology available (unlike that used by already developed economies).
- Greatly increasing expenditure in public **education and training** increases workforce productivity. The benefits of literacy and numeracy education for children up to the age of

15 years are relatively easy to demonstrate and seem to be large; however, the benefits of education in later years seem to diminish.

- **Health** policies increase expenditure in community and private health services and infrastructure. Improved health is believed to increase productivity as well as being an end in itself. Investment in education, training and health together is generally called ‘human capital formation’.
- **Physical infrastructure** policies increase investment in infrastructure for transport, power, water, sewerage, health, schooling and housing. These investments help achieve higher standards in trade, education and training, health, and governance. Some of these investments are funded privately, but much of it has to be funded by government. This requires policies that encourage savings, new tax policies and international borrowing.
- **Plant and equipment** policies encourage domestic and foreign investment in modern technology and new equipment. This leads to increased productivity and allows the economy to change its production patterns to take advantage of export potential.
- **Population control** includes such policies as introducing family planning programs (such as the ‘one child policy’ in China), and improving the education levels and legal and social status of women. Some countries have high population growth rates which place greater stress on resources (water supply, sewerage facilities, land, forests, fisheries, etc) and generally increase the difficulty of increasing per capita incomes.
- Improved **governance** leads to predictable and easily understood policies which reduce political risk (risk resulting from political decision making). Improved governance should lead to decisions that are more efficient and equitable. It should also lead to improved protection of the environment and to more sustainable use of resources.

All of the above policies are believed to interact and reinforce each other. For example, it is argued that globalisation will increase the number of jobs, which will increase average incomes, which will encourage and enable people to gain higher levels of education and better health, population growth rates will fall, firms will increase investment in plant and equipment, increased taxes will allow greater investment in infrastructure, and people will become more politically aware and active. Similarly, an improvement in housing, water supply and waste disposal will improve health and education because the pupils will be healthier, will have room to study, will have a place to keep study materials, there will be less domestic disputes in the household, etc. This in turn will make people more job-ready and they will gain jobs, and average incomes will increase. In principle, these cycles of improvement can start with any one of the policies above though in practice they will not all be equally effective in creating development. It is recognised that the best result is usually achieved if the policies are implemented simultaneously.

Most of the research supporting this paradigm has been conducted using countries rather than regions or population minorities. The main reason for this is that data are more readily available at the national level than at the regional level, or for minorities. Another complication with the research is that the relationship between an improvement in any of the causal factors above and economic growth is statistically complicated. This is partly because of the cycles of improvement, the multi-collinearity in the time series available and because of non-linearities in the relationships between causal factors and economic development (partly because of diminishing returns). Altogether this means that simple statistical studies are often not effective. One exception, however, is the relationship between income levels and the highest education level achieved. It is common to study this relationship using cross-section statistics and it is normally fairly easy to demonstrate this relationship in large samples. Overall, the evidence of the efficacy of the development policy paradigm relies on theoretical and historical studies rather than formal statistical models.

In principle, there is no reason why the causal relationships between the above policies and development should not apply equally well to regions and minorities as to countries. The main difference between a country on the one hand, and a region or minority on the other, in

this context, is that a country has a wide range of policy instruments available which can be used to create improvement in its standard of living, whereas a region or a minority has much less control, and perhaps no control over policies impacting on them.

Consequently, there is every reason to expect that this policy paradigm would apply to Aboriginal and Torres Strait Islander settlements or Aboriginal and Torres Strait Islander minorities, with some variations and adaptations, even though these settlements or minorities may not be able to implement the policies themselves. This point does, however, highlight the importance of Aboriginal and Torres Strait Islander settlements and minorities having influence and control over the policies impacting on them, and nature of the services provided to them.

2.2 Adapting development policy theory to settlements

Following are suggested ways that the development policy paradigm needs to be adapted for application to Aboriginal and Torres Strait Islander settlements:

- The main purpose of globalisation in the development paradigm is to allow a country to use its resources efficiently and to increase demand for the resources which the country has in abundance. Settlements typically have very high rates of unemployment, so the settlement equivalent of the globalisation policy is an employment creation policy. If settlements have minerals, land suitable for grazing or tourism, then the development of these assets should be encouraged also. In the case of a country, the usual policy prescription is to abolish all forms of protection and subsidies. This may create a balance of payments deficit in the first place, because imports will increase and exports will take time to increase. This problem is solved by a devaluation of the currency, which will bring about equilibrium in the balance of payments. The problem for settlements is, of course, that the 'exchange rate' is fixed because a dollar has the same value (more or less) anywhere in Australia. One policy equivalent to devaluation is an across-the-board subsidy. The Community Development Employment Project (CDEP) is close to that for all production activities in the settlement which use CDEP labour. However, it is evident from the lack of production in settlements that this level of 'subsidy' is insufficient and more across-the-board subsidies could be justified.
- Improvements in education and training, health, and parts of a settlement's infrastructure will increase the work readiness of the settlement's population. This would enable local people to replace many outsiders who now occupy the high-paying jobs in the settlement. Improvements in work readiness would also allow business in new areas and improvements in settlement governance and empowerment generally.
- Increasing private investment in settlements is a difficult task. Most of the land currently owned by settlements is 'leftover' from nineteenth century agricultural expansion. They were areas which governments of the day expected would be of no significant use for development because their resources were very poor. Many of the areas were pastoral leases that failed or were never taken up by investors and pastoralists. While the agricultural poverty of these areas has not changed, some of the areas are now valuable for mining and tourism, and there are many thousands of commercial Aboriginal artists using the materials produced by this land. In addition, of course, the land remains valuable for the Aboriginal owners, for religious purposes, for hunting and gathering, recreation, etc.

This lack of resources overall creates difficulties for policy designed to increase investment in market activities. While there are many successful Aboriginal businesses involved in 'exporting' goods from settlements and others involved in servicing the settlements, there is still mass unemployment in settlements and much more investment is required.

Recent approaches by government include the idea of the 'Indigenous entrepreneur'. This builds on the idea that the great improvements in the standard of living and technology in the West in the nineteenth century resulted from the emergence of an entrepreneurial class who

were self-oriented risk-takers whose success created progress. There is an alternative interpretation of history which will not be discussed here.

Another standard policy approach adopted by the Australian Government is to enable the granting of ninety-nine year leases of NT Aboriginal land held under the Land Rights Act. The government hopes that this change will enable Aboriginal people in settlements to buy their houses, and will also encourage investors to invest in projects on Aboriginal land. In economics, this type of policy is called 'securing private property rights' and this type of security is considered essential if investors are going to undertake the risks associated with investment. While this policy will have the desirable effect of encouraging private investment there are real risks for people living in settlements. These include the possibility that they will lose control over their land and their communities. There is also the possibility that people living in settlements will become greatly indebted or bankrupt (through home ownership), and settlement organisations may become bankrupt as a result of failed partnerships and businesses.

Another suggestion, which has come from an examination of policies adopted in the USA and Canada, is the use of the company tax system to encourage investment. However, on examination of the idea it was found that most Aboriginal businesses are not-for-profit organisations and so there was little opportunity to use this approach (Taylor & Stanley 2005).

- The Centre for Aboriginal Economic Policy Research (CAEPR) reports have devoted considerable attention to the issue of population growth in Aboriginal communities. The main thrust of this work points out that, even to maintain the very poor employment rates and living standards of the Aboriginal population, massive investment will be required in employment creation, services and infrastructure because of the high population growth rates (see especially Taylor & Hunter 1998). Despite this repeated warning by CAEPR and others, governments seem to have done little in this regard.
- There is considerable research and some government interest in improving governance in settlements. It is ironic that over most of the past two hundred years, governments have attempted to destroy traditional governance structures, but now find that the absence of governance makes the task of implementing government policy in settlements difficult. For example, the terms of Shared Responsibility Agreements (such as increasing the school attendance rate) often require a capacity for social encouragement and perhaps coercion within settlements that has been weakened over the years by government control.

2.3 Overall government expenditure patterns for settlements

While governments have policies affecting settlements in all of the development paradigm areas, the question remains whether the levels and patterns of government expenditure conform to the development policy model. This is a very difficult question to answer because there are many settlements and two main areas of government (Commonwealth and State/Territory). Taylor and Stanley (2005) were able to obtain government expenditure figures for the two levels of government for the Thamarrurr (Wadeye) NT settlement as part of a Council of Australian Government (COAG) study. The data for Thamarrurr were obtained from government departments. They were allocated to functional areas and then compared with government expenditures for the equivalent cohort for the NT population overall (which was used as the control). Table 1, below, shows the results.

For the purpose of illustration, the first number of 0.47 means that for every \$1 spent on schooling for the average NT child of compulsory school age, only 47 cents is spent on a Thamarrurr child. The main reason for this is that money is allocated to schools on the basis of attendance, and the attendance rate at Thamarrurr is low. The health figure of 1.13 means that for every \$1 spent by governments of health on the average person in the NT, \$1.13 is

spent on a Thamarrurr person. This is almost certainly too low considering the poor health of people at Thamarrurr, the average age of death of 47 years of age, and the high cost of providing health services in remote areas.

Overall, this pattern of government expenditure at Thamarrurr is contrary to that recommended by the development policy paradigm for two reasons. The first is that the pattern of spending is directed at helping the people in the settlement cope with poverty, rather than assisting development. The table shows that, by comparison with the wealthy and developing NT overall, far too little is spent by governments on services which will create jobs, improve job readiness and health, and enable development by providing infrastructure (called 'positive spending' in the table). The consequence is unemployment, great poverty, dependence on government income support, ill-health, and crime. The second point about government support for Thamarrurr is that the per cohort (generally per capita) government spending at Thamarrurr in aggregate is (slightly) less than that for the NT overall. Development logic dictates that governments should be spending more on the average Thamarrurr citizen than on the relatively prosperous average NT citizen.

Table 1. Per capita (cohort) government spending at Thamarrurr divided by the NT average

Broad Expenditure category	Ratio
Positive spending	
Schooling	0.47
Training (DEWR)	0.41
Health	1.13
Housing, Infrastructure & Community development	1.11
ATSIC/S (largely CDEP)	0.46
Negative spending	
Justice	3.01
Income support (Centrelink)	1.48

Source: <http://online.anu.edu.au/caepr/working.php#wp28>

It is likely that the results obtained above for government spending at Thamarrurr are generally applicable to Aboriginal and Torres Strait Islander settlements throughout Australia, because similar funding allocation formulas and approaches are used for all settlements. The measurable conditions in settlements also support this inference. For example, the life expectancy at Thamarrurr is similar to that for many other communities; the house occupancy rate at Thamarrurr is 16 persons is a common rate for settlements, including the distant settlement of Palm Island. If these results hold for Aboriginal and Torres Strait Islander communities overall, then there will need to be an Australia-wide change in funding approach if Australia is to achieve an improvement in the standard of living of its Aboriginal and Torres Strait Islander population.

3. The efficacy of a demand responsive mode of service delivery to Aboriginal settlements

3.1 Economic theory of markets

In Section 2, it was argued that government services in the areas of education and training, health, housing and other infrastructure, and law and order, are crucial to economic development. In this section, issues relating to the introduction of a demand responsive mode of delivery of settlement services will be discussed. The discussion will begin with an outline of some relevant economic theory and will be followed by a discussion of the implications that these theories have for implementing a demand responsive model for settlements.

In the theory of economic policy, conditions are evaluated in terms of two criteria: economic efficiency and equity. The former, economic efficiency, is concerned with the welfare or happiness of consumers overall, and equity is concerned with the fairness of the distribution of the benefits of society's production.

It is argued that under certain circumstances, markets can be used to ensure that the allocation of the nation's scarce resources is efficient. This idea now underlies much government policy and is embodied in the term 'microeconomic reform'. Both sides of Australian politics have accepted this idea and although the Howard government pursued these reforms most actively, this reform process was started by the Whitlam government in the early 1970s (Quiggin 1996).

The following discussion is concerned with services, though what is said applies equally to goods.

Economic theory supports the idea that, in general, markets are a very good mechanism for making basic decisions about what should be produced, how it should be produced and who should get services. This is because, with a market:

- services will be used by consumers who are prepared to pay the most for them and these people, in turn, will pay most because they gain most benefits from them. At a practical level, it is argued that a market system would eliminate the wasteful use of resources, and would redirect services from activities with low value to activities with high value.
- services will be provided by suppliers who are the most efficient (least cost) producers. Ideally these costs would include all the costs to society of supplying the services, including external costs (to the environment, etc.).

There are, however, two broad problems that arise when using a market in this way:

- The underlying conditions which are required for a market to work efficiently may not be met in practice.
- Even if a market operates efficiently, the outcome may not be equitable or fair.

The underlying conditions that are required for a market to provide services efficiently are:

- *perfect knowledge*: both suppliers and demanders in the markets for services must have sufficient knowledge and foresight to make decisions which are truly in their best interests
- no element of *monopoly*: both the suppliers and demanders must be competitive
- no *externalities*: there must be no flow-on effects from the use or production of services beyond those represented in the market
- *optimal prices of related goods* (substitutes or complements): prices must also reflect the costs to society of their production.

There are almost no market situations in which all of these conditions hold. Thus the real policy issue is whether the distortions caused by the existence of imperfect knowledge, monopoly, externalities and non-optimal pricing of substitutes and complements can be overcome by policy instruments such as taxes and subsidies, and whether these problems are great enough to offset the efficiency benefits of a user pays approach.

The issue of how to cope with one or more of the above underlying conditions not being met is known as the 'problem of the second best'. The problem is this: if one (or more) of the required efficiency conditions does not hold, how can other conditions be varied so as to minimise the loss of efficiency. For example, suppose the use of one service results in positive externalities (more education leads to improved health, for example). The second best solution may be to subsidise education beyond what would have been done otherwise, because there are benefits for both education and health.

For the economy overall, economists argue that, despite the fact that the underlying conditions are rarely, if ever, met in the strict sense, they are very often almost met, and taxes or subsidies or other methods of manipulating the market can be used to overcome any shortcoming. The net effect, economists argue, is that the market system, so adjusted, is usually better than any non-market alternative as a mechanism for allocating society's scarce resources. Economists commonly argue that any inequity that may result from the operation of the market should be overcome by income support through the tax or welfare system.

3.2 Implications for service delivery to settlements

Adapting the market or consumer sovereignty approach to the provision of services for remote settlements raises more difficulties than are usually encountered when applying the market to mainstream situations. This section will deal with some of these challenges.

The main difference between applying market forces to the economy overall and applying them to settlements is that, while economic theory is concerned with the efficient allocation of the nation's resources overall, settlements are concerned with a more narrow goal: how can elements of the market system be used to improve the delivery of services to settlements?

It should be noted that settlements, like all communities, can gain significant benefits from a service delivery system that is more responsive to consumer demands. These benefits include changing the nature and volume of services so that they better reflect the desires of local people and the conditions they face. Consider questions like these:

- Should a settlement have a medical doctor rather than rely on the evacuation of patients with moderately serious illnesses?
- Is too much money spent on the treatment of illnesses rather than on illness prevention?
- Is too much money spent on housing and not enough on education?
- Should more money be spent on outstation services and less on community services?

At present, such decisions are made by a process which is called the 'command system'. That is, the decisions are made administratively and not by the market. Under the command system, there is little room for the desires of the settlement to be reflected in the services being delivered. There is the possibility that the nature of services reflect the priorities of the service provider rather than the people who are supposed to be benefiting from them. A market system, or a demand responsive system, forces the provider to behave more in accordance with the wishes of the consumers.

There are, however, a number of challenges to be faced by a settlement wishing to introduce a demand responsive system. Following is a list of some of the more important challenges. The importance of the challenges depends on the nature of the demand responsive system being developed. For example, if the goal is simply to have a system which is completely run by government but in which the nature of services provided broadly correspond with what people in settlements want, then most of the following challenges will not be relevant. On the other hand, if the aim is to have a system which simulates a full market system, then all of them will be important.

The challenges are:

Consumers' demand

With the exception of the house rental market and possibly electricity, there are no markets in settlements for the services being discussed here. This means that settlements do not have a simple method by which the consumers' or settlement's demand for services can be expressed to the suppliers. In a market context, demands for services are measured by what people are prepared to pay for a service. The higher the offer price, the more value the service is to them.

For many services, introducing a fee-for-service is not practical, and settlements would need to develop a way of gaining information about consumers' demands for services, and expressing those needs to suppliers. Some ways this could be done are by using:

- the use of representative or expert organisations
- a survey of customers
- focus groups
- vouchers (see below).

Budgets

In a market system, consumers' demands are limited by their budgets (generally these are consumer's incomes adjusted for savings and credit availability) and consumers must choose a pattern of expenditure that is limited by their budget constraints. This does two things. Firstly, it prevents their demands from being unlimited; that is, asking for luxury houses and the best available education and health services. Secondly, it requires they engage in trade-offs; that is, they must prioritise alternatives and allocate expenditure to the best alternatives. A demand-based service delivery system for settlements would also need budgets of some form; otherwise every settlement would demand the best houses and the best health and education systems, etc., regardless of the cost of these services.

One very important question in relation to budgets is whether the settlements should have a budget for each service, or a budget for a group of services (a 'global budget'). Economic theory suggests that global budgets are better than budgets for specific categories. The reason for this is that control of a budget for health, for example, will allow the settlement to determine the optimal structure of health services, which is clearly a good outcome. However, in the settlement's view, there may be too much money spent on education compared with health, and the settlement would be even better off if some money from education could be redirected to health. Control of a global budget would allow this type of reallocation to take place.

While in the market context, budgets are normally in the form of money, it is likely that non-money budgets could be devised for entitlements. These could be in the form of entitlements to given levels of expenditure (by government) or vouchers. These would have the benefit that they would work like money budgets, but could only be 'spent' on certain items.

Voucher systems have been trialled in education but could be designed to have a broader coverage. The settlement could be given vouchers worth \$2 million per annum to be spent on health, education and housing. If the vouchers are given to the settlement collectively, then the settlement could decide how much to spend on each service. If the vouchers are given to individuals or families, then the individual or family would be able to 'spend' the vouchers on the services that that person or family desire. Inherent in the voucher method is the idea that the vouchers could be reallocated between people. For instance, a sick family could buy or borrow or swap vouchers from a healthy family to gain more health services. It is likely, however, that a voucher system operating at the individual or family level would not be suitable at this stage of settlement development.

Settlement institutional capacity

Whatever form the demand responsive system may take, it would require organisational resources which few, if any, of the settlements currently have; and organisational resources will need to be financed from some source. The resources required include people with a high level of administrative skills and knowledge, physical resources and equipment.

If decisions are to be made at the settlement level, then considerable time and effort will be absorbed by community consultations and the issues arising from these consultations may become divisive for the settlement. Disputes may arise over such issues as decision-making

processes, settlement versus outstation resources, the nature of services being provided, and local employment. Disputes over these issues already exist in many settlements but they may become more intense as the settlement gains more control over the resources it receives.

Knowledge

All societies have a relatively poor understanding of the benefits that flow from the consumption of the services being discussed here. Partly for this reason (externalities and equity being the other reasons), in mainstream society the provision and consumption of most of these services is not left entirely to market forces. There is generally a significant level of regulation, taxation, subsidy, or tax-funded provision of these services. Schooling is compulsory, and health services are provided directly by government or are subsidised, for instance. Therefore, it would be reasonable for the influence of the settlement's demand for services to be similarly circumscribed when deciding the nature of service delivery to them.

Externalities

Even when the consumption of services is high and societies are rich (as is the case in mainstream Australian society), it is difficult for consumers to understand the externalities associated with the consumption of services. When societies are poor, as are the settlements being considered here, externalities are likely to be very important.

For the purpose of illustration, consider firstly the case of housing in a wealthy society. The benefits of increasing the amount of housing can be easily assessed by finding out how much people are prepared to pay for it, because the benefits are simple: they are mainly the additional pleasure which people gain from having more or better living space. That is, there are few external benefits.

However, in the case of a poor settlement, where the average house occupancy rate may be 16 persons, there will be numerous external benefits from extra housing and the total benefits to society of additional housing will be what people are prepared to pay for it, plus the value of the externalities. Typical externalities from extra housing include:

- better performance at work and school because people can gain better sleep (which increases work and school productivity)
- personal possessions, including school and work equipment, can be better protected and can be continued to be used for pleasure, school and work (which increases pleasure and productivity)
- lower levels of within-family transmission of infectious diseases (resulting in lower health expenditure and increased productivity)
- lower levels of domestic disputes and violence (resulting in lower levels of expenditure on justice and security)
- less wear and damage to plumbing which leads to a higher level of cleanliness and better disposal of effluent; both of these will lower infections (reducing health expenditure and increasing productivity).

Indeed, it may be that in some cases the best way to improve health is not to spend a given sum of money on the settlement's clinic, but to spend it on a program to improve housing, especially water and sewerage, and to improve canine health.

Complicated external effects apply to all the services being considered here. Better schooling, for instance, has external benefits in terms of work readiness, for settlement governance, health, justice and security, etc. Improved health has a similar range of external benefits.

The fact that there is poor understanding of the immediate and external benefits of a settlement consuming different types of services means that the decision-making process, for a settlement that has an influence over the volume and types of services it receives, is

daunting. Clearly, this decision-making needs to be assisted by expert opinion. Under these conditions, there needs to be an effort made to ensure that the settlement services committee does not become just another Aboriginal committee, reluctantly peopled by overworked local representatives who have little real control over outcomes.

Ability of government to respond

In order that demand responsive systems work, the suppliers of the services must respond to demand. At present there are strong impediments to that. The areas under consideration here are covered by two levels of government, both federal and state/territory. Each level of government has policies and programs with different goals and targets. A demand responsive system requires that many of these be abandoned and instead governments accept that the views of people living in settlements are important. One of the reasons why governments may be reluctant to do this is that the resources being used are governments' resources, and governments may still be blamed for the failure of programs which were designed by settlement people. Nevertheless, the whole-of-government, philosophy which has been adopted by the Council of Australian Governments (COAG), raises the possibility of greater flexibility from the government, and this is helpful to the cause of a demand-responsive service delivery system.

Equity

Regardless of the service delivery system implemented, the issue of equity – fairness of access to services – is important. Settlement control over services would raise important equity issues and cause disputes to arise over equity of access. Structures will need to exist to deal with those conflicts. In addition, any use of prices, or the user pays approach to allocate services, raises the possibility that the poor in the settlement will have inequitably low levels of access to services.

4. Conclusion

The first part of this report concludes that services are important to the economic development of settlements, and that the current nature and value of services being provided are likely to be inadequate to achieve this. Examining the possibility of using a demand responsive service delivery mode for settlements suggests that while the benefits should be considerable, there are also many challenges to achievement of those benefits.

5. Demand responsive service delivery resources

5.1 Introduction

This section provides a brief description of publications and reports that may be of interest to researchers concerned with the development of demand responsive service delivery systems. The material provided here is intended as a listing of material and is not an academic survey of it. In many cases, hyperlinks are provided for the documents so that the researcher can gain easy access to the material.

5.2 Services and economic development

5.2.1 General theory of development and policy

There are many very good textbooks on the theory of economic development and policy. The two listed below are representative of them:

Todaro M. P. & Smith S. 2003, *Economic Development*, eighth edition, Pearson, UK
Van den Berg H. 2001, *Economic Growth and Development*, McGraw-Hill Irwin, NY.

5.2.2 Special references to Aboriginal and Torres Strait Islander people

There are too many of these references to discuss here, but a major source is the Centre for Aboriginal Economic Policy Research (CAEPR) (<http://www.anu.edu.au/caepr/>).

5.2.3 Overall development strategy

The ADB overall development strategy

http://www.adb.org/Documents/Policies/Poverty_Reduction/2004/prs-2004.pdf

5.2.4 Job creation and development

Linking economic development and job creation for the working poor

<http://www.financeproject.org/Publications/economicdevelopmentRN.htm>

OECD of promoting pro-poor growth through private sector development

<http://www.oecd.org/dataoecd/43/63/36427804.pdf>

5.2.5 Education and training

Schools and economic development

<http://www.ericdigests.org/pre-928/economic.htm>

The interaction between natural resources, education and economic development

<http://www.hi.is/~gylfason/pdf/eea2000k.pdf>

Technology, education, and economic development

<http://www.unesco.org/education/educprog/lwf/doc/portfolio/opinion17.htm>

The importance of early childhood development programs in creating economic development

<http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>

Asian Development Bank on education for global participation

http://www.adb.org/Documents/Books/Key_Indicators/2003/pdf/theme_paper.pdf

World Bank on education and training systems and the knowledge economy

http://siteresources.worldbank.org/INTLL/Resources/Lifelong-Learning-in-the-Global-Knowledge-Economy/lifelonglearning_GKE.pdf

5.2.6 Health (including public health)

Public Health Information Development Unit

Social Capital and Social Capital indicators

<http://www.publichealth.gov.au/>

Australian Institute of Health and Welfare

<http://www.aihw.gov.au/indigenous/health/index.cfm>

<http://www.aihw.gov.au>

Australian Institute of Health and Welfare – access

<http://www.aihw.gov.au/indigenous/health/access.cfm>

East Africa experience

http://www.oecd.org/document/4/0,2340,en_2649_33981_1835908_1_1_1_1,00.html

5.2.7 Infrastructure

Making infrastructure work for the poor

<http://www.undp.org/poverty/docs/fpage/Synthesisreport.pdf>

Guiding principles on using infrastructure to reduce poverty.

<http://www.oecd.org/dataoecd/16/46/36301078.pdf>

Infrastructure and economic and social development

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTSITETOOLS/0,,contentMDK:20205590~menuPK:435326~pagePK:98400~piPK:98424~theSitePK:95474,00.html#4>

World Bank overview of infrastructure in east Asia and the Pacific

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXT/APINFRASTRUCT/0,,contentMDK:20701810~menuPK:855150~pagePK:64168445~piPK:64168309~theSitePK:855136,00.html>

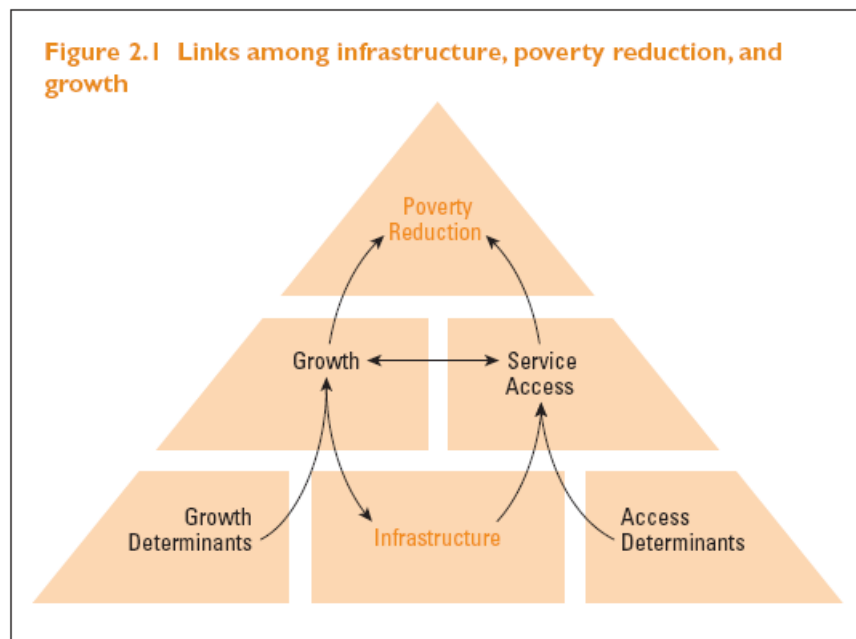
While infrastructure is important, on its own it is not enough

<http://siteresources.worldbank.org/INTEAPINFRASTRUCT/Resources/CH5-2005.pdf>

Connecting growth, poverty reduction and investment through infrastructure

<http://siteresources.worldbank.org/INTEAPINFRASTRUCT/Resources/Ch2-2005.pdf>

Following is the basic model used:



The role of transport in poverty reduction

<http://siteresources.worldbank.org/INTURBANTRANSPORT/Resources/twu-30.pdf>

A review of sanitation program evaluations in developing countries

http://pdf.dec.org/pdf_docs/PNACB331.pdf accessed 15/06/06.

5.2.8 Governance

Capacity development for Aboriginal and Torres Strait Islander governance

https://www.anu.edu.au/caepr/Projects/Capacity-Development_Paper_DSmith.pdf

Overseas Development Institute (UK) on governance, development and aid effectiveness.

http://www.odi.org.uk/publications/briefing/bp_mar06_governance.pdf

Governance and poverty, some issues

<http://www.icgd.usask.ca/keynote.pdf>

5.3 Service delivery issues

5.3.1 Theory

Any of the standard economics texts will provide a discussion of efficiency and equity issues relating to markets. One that is commonly used now is:

Mc Taggart D, Findley C, and Parkin M 2003, *Economics*, Addison Wesley, NSW

5.3.2 Overall issues

COAG and Government service delivery for Indigenous people

<http://www.coag.gov.au/meetings/250604/index.htm#indigenous>

New government arrangements and service delivery - Australian Institute of Aboriginal and Torres Strait Islander Studies

http://www.anu.edu.au/caepr/Projects/Regional_Gov_PSullivan.pdf

Principles underlying demand responsive service delivery

Moran, M 2006, *Demand Responsive Services: An analytical framework for improved administrative practice in Indigenous settlements*, DKCRC Working Paper 03. Available at

<http://www.desertknowledgecrc.com.au/publications/workingpapers.html>

The Commonwealth Government's Service Delivery Capability Model

http://www.agimo.gov.au/_data/assets/pdf_file/50167/SDCM.pdf

The model follows on the next page.

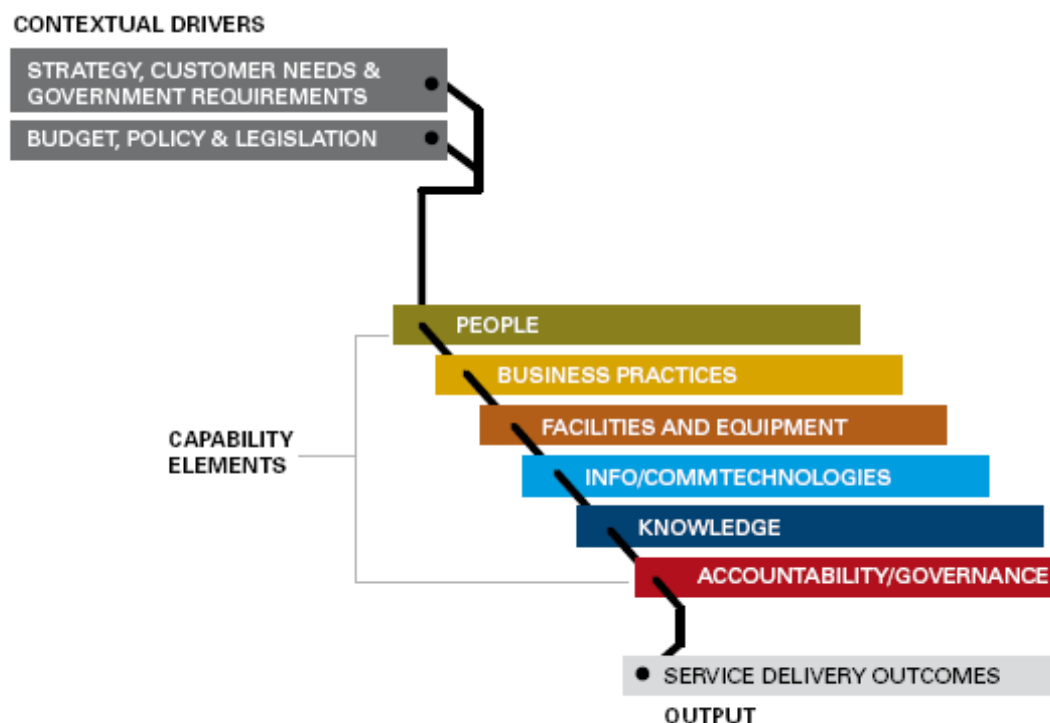


Figure 1: Capability is the sum of all things that enable an organisation to deliver services

Capability element	Applied definition
People	The people and their collective skills, experience, tacit knowledge, culture, attitudes, relationships, and needs & expectations necessary to deliver the desired service.
Business practices	The documented processes that underpin service delivery.
Facilities and equipment	The physical facilities and (non-ICT) equipment required to enable service delivery.
Information and Communication Technologies (ICT)	The systems for the communication, capture, classification, storage, management, retrieval and dissemination of knowledge.
Knowledge	The domain specific knowledge applied in service delivery, excluding tacit knowledge.
Accountability & governance	The framework to determine accountability and governance for all aspects of service delivery.

Queensland Government's quality frameworks for service delivery

http://www.qld.gov.au/qcoor/service_delivery/

5.3.3 Health service delivery

House of Representatives Standing Committee of Community Affairs inspired reforms to service delivery

<http://www.health.gov.au/internet/wcms/publishing.nsf/Content/hacc-service.htm#1>

The health consumer survey instrument

http://www.health.gov.au/internet/wcms/publishing.nsf/Content/hacc-pub_isd_nssi.htm

Summary of state and territory approaches to rural and remote health

http://www.nt.gov.au/health/comm_svs/aged_dis_ccs/policy/health_horizons_progress.pdf

Role of health specialist outreach services

Gruen R, Weeramanthri T and Bailie R 2002, 'Outreach and improved access to specialist services for Indigenous people in remote Australia: the requirements for sustainability', *Journal of Epidemiology and Community Health*, vol. 56(7)

Northern Territory Primary Health Care Access Program

http://www.nt.gov.au/health/org_supp/public_affairs/anrep01_02/Annual_Report_01_02_com_m_health.pdf

The key principles underpinning the Northern Territory service delivery model are the establishment of zonal community controlled health organisations, partnerships, resourcing and support, community development, funds-pooling and self-determination

http://www.nt.gov.au/health/comm_svs/aged_dis_ccs/policy/health_horizons_progress.pdf

Queensland Indigenous environmental health infrastructure

<http://www.localgovernment.qld.gov.au/?id=1970>

5.3.4 Housing

Queensland Government service delivery models for state supplied housing

<http://www.housing.qld.gov.au/programs/ch/publications/index.htm>

5.3.5 Demography and location issues

Aboriginal mobility

Warchivker I, Tjapangati T and Wakerman J, 2000, 'The turmoil of Aboriginal enumeration: mobility and service population analysis in a Central Australian community', *Australian and New Zealand Journal of Public Health*, vol. 24(4), pp. 444–449

Taylor, J 2002, *The spatial context of Indigenous service delivery*, ANU CAEPR working paper no. 16/2002. Available at:

<http://www.anu.edu.au/caepr/Publications/WP/CAEPRWP16.pdf>

Socio-political networks in the Pintupi Luritja region

<http://naru.anu.edu.au/papers/holcombepaper.pdf>

References

Quiggin J 1996, *Great Expectations*, Allen & Unwin, Sydney.

Taylor J and Hunter B 1998, *The job still ahead: Economic costs of continuing Indigenous employment disparity*, Aboriginal and Torres Strait Islander Corporation, Canberra. Available at: <http://www.anu.edu.au/caepr/Publications/WP/jobahead.pdf>

Taylor J and Stanley O 2005, *The Opportunity Costs of the Status Quo in the Thamarrurr Region*, CAEPR Working Paper 28/2005, CAEPR, Australian National University, Canberra. Available at: <http://www.anu.edu.au/caepr/Publications/WP/CAEPRWP28.pdf>

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