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# **Experiences in the development and implementation of regional governance models**

**Report to the Indigenous Implementation**

**Board Department of Indigenous Affairs**

**Government of Western Australia**

**Steve Fisher  
December 2009**



# Experiences in the development and implementation of regional governance models

## Report to the Indigenous Implementation Board

### Executive summary

How governance can be achieved in regional and remote Australia and be effective in achieving positive change is the subject of considerable discussion in Australia and internationally. This report is the result of a review of the literature on development and implementation of regional governance models. It is designed to inform the work of the Indigenous Implementation Board of the Government of Western Australia.

In preparing this report, we conducted a desk-based review of the literature available. The review approached the literature by first focussing on regional examples from Australia that are relevant to its objectives plus analyses of remote and regional governance more generally. This included community case studies where they offer insights of relevance to the regional examples. Literature from outside Australia was then reviewed, seeking examples from settings where there are conditions in common with Western Australia, such as North America. The review took a wide view across the international field, including examples from Europe, Latin America, and Bangladesh.

The review has concentrated on key strategic issues for consideration by the Indigenous Implementation Board. These include contemporary Aboriginal and Western perspectives on governance, vision and strategy, capacity for effective governance, engagement with local people and other sectors, monitoring, governance scale and structures. The review does not address governance systems as we consider this subject to be more operational in content than strategic.

- Perspectives on governance, especially the importance of embedding governance within Aboriginal views of effective structures, processes and relationships, while ensuring that it is connected to the wider social, political and business environment.
- Approaches to strategy, especially to build a long-term and fundamental grounding for regional governance that makes the key choices to define its responsibility and authority.
- Strengthening capacity in a way that matches the ambition of the regional governance model, including suitable processes for building confidence, gaining access to specific skills and managing risks. This equally applies to supporting better capacity in government to relate to redrawn lines of devolved authority.
- Engagement with local people and across the boundaries that lie between business, government and a new regional model and with the aim of ensuring that regional governance is outward-looking and connected to other sectors.
- Monitoring and evaluation, with an emphasis on transparency of process and information.
- Structures that serve strategy and are fit for purpose.

Overall, the review has generated insights and analysis across a wide range of aspects of regional models of governance that we consider essential to the objectives of the Indigenous Implementation Board.

## Introduction

Following the first report of the Indigenous Implementation Board (IIB) in WA, which was provided to the Hon. Kim Hames, Minister for Indigenous Affairs in August 2009 and subsequently tabled in Parliament in September 2009, the IIB has the goal of providing the Minister with a strategy and framework for a regional authority. This will be delivered in February 2010.

In approaching this work, the Board wishes to take into account and overview of international best practice in this area, recent studies on issues of governance, examples of regional authorities in Australia and overseas and the key ingredients of success of such models.

In early November 2009, the Board invited the Desert Knowledge Cooperative Research Centre (DKCRC) to conduct a short desk-based review in order to meet their immediate aims in this area. DKCRC is managing the review through its subsidiary private company, Ninti One Limited. This report presents the results of that work.

## Objectives

The objectives of the work are:

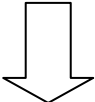
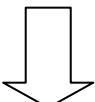
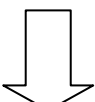
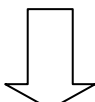
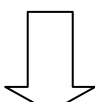
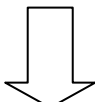
1. To conduct research to meet the need of the Indigenous Implementation Board for knowledge and information relevant to regional governance models;
2. To provide analysis and commentary to guide the consideration of the Board of this material;
3. To engage in discussion with Board members on the content of the report and its relevance to their aims.

The findings of the review will contribute to the development of the Board's conceptual and practical work on regional governance for Western Australia.



## Report structure

Regional governance is a complex subject. To assist the reader in working their way through the review we have conducted, the flow chart below presents the structure of the report.

| Section                                                                                                                                                                         | Content                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Definitions of governance</b><br>                                                           | Definitions of governance, especially as applied in the Indigenous context                                                                                           |
| <b>Governance models in the Aboriginal and Torres Strait Islander context in Australia</b><br> | Selected examples and case studies from Australia, with lessons and insights identified, both positive and negative and of relevance to the objectives of this study |
| <b>Analysis and commentary on experience in Australia</b><br>                                 | Discussion of experience of regional governance models in Australia, based on seven themes that emerge from the literature                                           |
| <b>International experience of models of governance</b><br>                                  | Selected examples to illustrate positive experiences in relevant settings outside Australia, including North America, the Barents, Bangladesh and Latin America      |
| <b>Key insights and lessons from international experience</b><br>                            | Discussion of international experience based on key points coming from the literature                                                                                |
| <b>Conclusion</b><br>                                                                        | A summary of key ingredients for effective regional governance                                                                                                       |
| <b>References and acknowledgements</b>                                                                                                                                          |                                                                                                                                                                      |

## Definitions

Definitions of governance emphasise decision-making through appropriate structures and processes. The Centre for Aboriginal Economic Policy Research (CAEPR) defines governance as 'the processes and structures (formal and informal) by which a group, community or society makes decisions; distributes and exercises authority and power, determines strategic goals, organises corporate and individual behaviour, develops institutional rules and assigns responsibility for those matters' (Hunt and Smith 2005:2).

The 2008-9 Business Plan developed by the Tiwi Islands Shire defines good governance in terms of 'having the structures, processes and capacity in place to make sound, informed decisions through strong leadership and accountability... relies on integrity and openness... [and] must be supported by clear roles and responsibilities... and systems which support financial and non-financial accountability, timely decision-making and communication with the community, staff, and other stakeholders. It should also consider 'cultural match' in marrying Indigenous and western concepts of governance' (2008: 2).

The Canadian Foundation for the Americas released a policy document in 2008 that defined the term 'Indigenous governance' as '[The] roles, responsibilities, and relationships that contribute to the social fabric or social capital of indigenous communities. These roles, responsibilities, and relationships are governed by norms and traditions, and contribute to decision-making processes. Indigenous governance stems from a common interest in, and identification with, the lands and territories inhabited by communities, and contributes to the setting of priorities in relation to internal and external influences that affect the social fabric of its members. The extent to which governance exists in a given community varies from case to case' (Focal, 2008: 5).

In an earlier (2006) publication by the Foundation, Omaira Mindiola stipulates further: '[I]ndigenous governance goes beyond a simple vertical relationship between the state and Indigenous peoples... governance is the way in which Indigenous society functions with its own system for exercising power, making decisions and resolving conflicts. These social structures and value systems differ from those of the national society... yet the two systems must interact... The notion of governance should thus entail a redefinition of the relationship between Indigenous and national societies defined in intercultural terms (Mindiola 2006: 1).

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. Governance structures may be easier to design and describe, but should serve effective processes rather than the reverse. Moreover, in the Australian Aboriginal context, the quality of interaction between government, regional governance and local people is fundamental. This has been a recurring observation in the research conducted by the Desert Knowledge CRC in services and economic development over the last six years.

In this report, the term 'Indigenous' is used in describing initiatives that specifically use the term in their title, including the Indigenous Implementation Board. In all other cases, I have referred to Aboriginal people, this being preferred by the Board of the Desert Knowledge CRC (which includes three senior Aboriginal people) as an appropriate description of people identifying as being of Aboriginal descent from all parts of Australia with the exception of the Torres Strait Islands.

# Governance models in the Aboriginal and Torres Strait Islander context in Australia

This section provides an overview of selected approaches to regional governance for Aboriginal and Torres Strait Islander people in Australia. In presenting this material, our intention is to provide a basis for the analysis presented later in this report, rather than a comprehensive survey.

Examples are presented in the categories of regional and local, each one adding to the picture that the report builds on the lessons from previous policy and practice in this area. Detailed commentary and analysis will be provided in the section that follows, commencing on page 19.

In conducting the review that underlies this report, we have deliberately concentrated on examples that come from outside Western Australia, our assumption being that the Indigenous Implementation Board and the Department of Indigenous Affairs will already have access to good information on these experiences within the state. The exceptions are the Ngaanjatjarra Lands and the East Pilbara/Western Desert, which have been the subject of our own research and to which DKCRC can bring particular insights.

## Regional governance models and experiences

### Aboriginal and Torres Strait Islander Commission (ATSIC)

Of course, the most recent example of regional governance for Indigenous people was the Aboriginal and Torres Strait Islander Commission (ATSIC). Aboriginal people in Western Australia will have their own views on the pros and cons of the ATSIC governance model. Our perspective is that ATSIC was the practical application of a regional model of decision-making on services and investment made closer to the places where Indigenous people live and through democratic processes. However, as with any governance arrangement, its effectiveness was often determined by the qualities of the individuals working within it. As such, we believe that a key lesson from the ATSIC experience is that support to effective governance must include deliberate efforts to shift practice from being dependent solely on individuals to being founded on good systems and processes within which individuals can operate well.

Will Sanders (2004: 4) praised ATSIC for being a 'bold experiment in regionalism'. He does, however, note several failures that occurred. Of these, significant to this review is the 'keenly felt' gap that developed between regional councilors and national commissioners. This led to the delegation of funding for some ATSIC programs to regional councils, which ATSIC's founding chair, Lowitja O'Donoghue, claimed was a mistake that led regional councils to become too inward-looking. Sanders points to the Murdi Paaki region of NSW and the Yarpakurlangu region of the Northern Territory as examples of regional councils that became more involved in larger strategic and political issues, as O'Donoghue had recommended. Murdi Paaki is addressed later in this section of the report. We also observe that ATSIC regional governance was hampered by a frequent disconnect between the activities of regional councils and broader regional development processes. The two occupied parallel worlds. This is one reason for the lack of strategic planning coherence in regional development in regions such as the Pilbara and the Kimberley. Essentially, ATSIC administered community governance and services while the resources boom gathered pace in a way that was largely disconnected from regional governance.

Sanders (2004) list of ATSIC's strengths includes two other aspects that are relevant to this review. First, he claims that ATSIC achieved greater Indigenous political participation, pointing to a national survey in which 39% of respondents had voted in the 1993 ATSIC elections. (Evidence presented by the 2003 Ngaanyatjarra Council report, however, demonstrate that voter turnout in some Regional ATSIC elections were extremely low, see relevant section below.) Furthermore, he claims, elected Aboriginal and Torres Strait Islander officials were able to develop public profiles and participate in public debate. He notes that regional council members (especially council chairs) had these opportunities in addition to national commissioners.

The second ATSIC strength noted by Sanders is its development of programs that were distinctive from other government programs, and appropriate to Indigenous circumstances. He points to the Community Development Employment Projects (CDEP) scheme and the Community Housing and Infrastructure Program (CHIP) as two major examples, but notes smaller programs in the arts, media, native title representation, and legal support services as other areas where distinctive, appropriate programs were developed by ATSIC.

An important observation is that ATSIC regional councils tried to operate within the void between State and local government that is the focus of this report. While the concerns of shire and town councils remained municipal and the State was distant from regional knowledge and priorities, ATSIC had no other forms of mainstream governance with which to interact and collaborate. Regional vision and strategy within Western Australia was, and still is, largely absent. This has been one reason for the rise of Royalties for Regions, an initiative that is also largely confined to municipal allocations of funds and so hampered in by the same lack of regional strategy that ATSIC faced.

In summary, the key lessons that can be drawn from this experience for regional governance in Western Australia are that governance is most effective when it balances both the need for distinctive approaches to meeting Aboriginal priorities with proper strategic planning that connects with the wider political economy.

### **Anangu Pitjantjatjara Yankunytjatjara (APY) Lands**

The APY Lands are well-known nationally as an example of regional governance arrangements for and by Aboriginal people. However, the uneasy relationship between the South Australian Government and local organisations on the Lands continues to reflect shortcomings in achieving settled arrangements.

In October 2008, a report was drafted by the South Australian Government to respond to the recommendations proposed by John Thurtell (a consultant commissioned by State and Commonwealth governments) and Commissioner Mullighan (in the Children on APY Lands Commission of Inquiry) in 2007. The 2008 report acknowledges that 'no identifiable body... takes responsibility for local government... or deals with local government matters on behalf of the Anangu', and that as a result, services are 'fragmented, lacking in co-ordination, and are unnecessarily complicated for both Anangu and government' (AARD, 2008: 1). Additionally, local community organisations that were designed to facilitate decision-making processes have been burdened with service delivery functions that they are poorly equipped to handle. The report also

acknowledges that 'there is currently no robust mechanism or transparent process for interaction between the various tiers of government and Anangu' (2008: 2).

This view may be contested by Aboriginal people themselves but we have been unable to find published material presenting their views. Thurtell proposed several options for establishing a regional authority in the APY lands, recommending primarily that 1) management of municipal and local government services, and regional community management should be handed over to a Local Regional Council; and 2) as an interim measure, management of municipal and local government services should be put to competitive public tender [with environmental health services being subcontracted by the tenderer] and a separate tender should be made available for community management services for the region. He also recommended the employment of a Community Manager in each community; implementation of community development plans; establishment of a service delivery Management Committee for regional strategic oversight and monitoring; an advisory role for Community Councils; and continued support for community offices. In essence, these proposals focused on the need to build capacity and the necessary competencies to support effective governance through sound management.

Last year, the South Australian Government reported that it 'generally agrees with the concept of a regional council model'. However it believes that because of the particular circumstances of service delivery on the APY lands – including remoteness, cultural considerations, and the absence of a robust rates base – a generic local government model will need modification if it is to be applied effectively on the APY Lands' (2008: 5). They also stated their intention to consult with Anangu 'in a way that is empowering and in culturally sensitive' before taking any further action (2008: 5). The South Australian Government proposed principles that include:

- building on community proposals;
- developing clearly demarcated governance functions;
- enabling efficient, accountable service delivery with strong governance;
- capacity-building;
- strengthening existing structures rather than duplicating or re-creating;
- not disturbing land rights legislation;
- considering alignment with other processes; and
- minimising confusing interim stop-gap arrangements.

Elements of the model proposed by the South Australian Government and designed to adhere to these principles include:

- Establishment of a Regional Council;
- Appropriate training and accountability mechanisms for the administrative staff of the Regional Council;
- 'Governance arrangements for the Regional Council to draw on representation from community councils';
- Standards of democracy and accountability that community councils must demonstrate in order to provide representation to the Regional Council;
- 'Robust grievance and dispute resolution mechanisms' to facilitate arrangements between various tiers of governance and service delivery organisations.

In essence, these proposals are for a Regional Council to be established and emphasise effective accountability to underpin its work.

The 'Paper Tracker' website (a project run by Uniting Care in Adelaide) is a useful source of material on the APY Lands. It reports that a feasibility report on the transition to an APY regional authority was due on 30th June, 2009, but we have not been able to locate it. The next phase of work on governance by the Indigenous Implementation Board would be well-advised to take note of the findings of the report when it becomes available. As an aside, the Paper Tracker website <http://www.papertracker.com.au> plays an active role in following up government policy initiatives and publishing their progress in a format that is easily accessible to non-experts (ie. they write in common English rather than 'legalese'). Although it is questionable whether community residents use the website on a regular basis, initiatives like Paper Tracker have some role as a public accountability mechanism.

It is also worth noting the development of a regional community media network in the APY lands known as PY Media. PY Media began in the early 1980s in the Ernabella community (Pukatja) and by the 1987 there was call to develop the organisation to service and represent the whole of the APY Lands. Their website, clearly set up to be accessible and appealing to local people, provides a wealth of information on community news, events, and access to services. It seems that community media (radio, TV, and internet) could provide a useful communication interface between regional populations and State government. The Desert Knowledge CRC works in partnership with PY Media to conduct research on service effectiveness in the APY Lands. This work will be published in the coming weeks. Our emerging findings point to the ongoing reluctance of government agencies to invest in services and resulting concern by local people that pilot arrangements for new service arrangements are simply another form of short-term commitment.

Key points arising from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands are that the Government of South Australia considers the capacity for local governance and the need for accountability measures to be essential. Community councils appear to have been a fragmented approach to governance instead of the regional perspective required for long-term planning and investment. Given the history of divergent views between the Government and Aboriginal people on the APY Lands, it is perhaps optimistic to imagine that the development of new arrangements will be uneventful.

### **Ngaanyatjarra Lands, Western Australia**

Although the Ngaanyatjarra Lands fall within the remit of the Western Australian Government, developments in governance in that region in recent years are relevant to this report and worth noting here, especially as partners to the Desert Knowledge CRC have particular knowledge of the region due to our research on the Regional Partnership Agreement and Shared Responsibility Agreements implemented there in recent years.

In July 2003, a report was funded by the Western Australia Department of Indigenous Affairs to investigate the ways that Government and the Ngaanyatjarra people 'do business' with each other. The report (p. 4) noted both 'inflexible patterns of doing business by government' and a 'lack of capacity in the Ngaanyatjarra communities' as obstacles. The report pointed out that Government tended to take an individual case management approach to development and social services,

noting that this approach works best when individuals possess reasonable literacy, numeracy, record maintaining, and English skills, plus a residential address, which excludes many Ngaanyatjarra people. As a result, Ngaanyatjarra communities tended to pool resources to represent themselves to government agencies. The report claims that 'The separation in the ways that Ngaanyatjarra communities have done business and the way the Government is doing business is widening' (2003:4).

The 2003 report recommended the formation of a Regional Agreement with State and Commonwealth Government, using the structures of the Ngaanyatjarra Council and the Shire of Ngaanyatjarraku. The Ngaanyatjarra Council described on as the 'principle organisation of governance in the Ngaanyatjarra Lands', and the report claims that 'the leadership of the Council is strong, community participation is high and the outcomes generated by the operation of the Council are tangible' (2003: 14). Proposals for the Regional Agreement included measures such as State matching of housing funds pooled by communities; cashing out of individual health service funding on a regional level; Council representation on selection committees for Aboriginal Support and Child Protection workers; and funding for training Aboriginal and non-Aboriginal workers, especially in education and building vocations.

A Regional Partnership Agreement (RPA) was signed by the Ngaanyatjarra Land Council, the Commonwealth and Western Australian Governments and the Shire of Ngaanyatjarraku on 12 August 2005, lasting until 30th June 2008. The agreement intended to establish 'meaningful representative arrangements', a 20-30 year development plan, and to reduce 'red-tape':

- Funding of a Ngaanyatjarra committee to liaise with government
- Establishment of a central point for Ngaanyatjarra people and Government to communicate
- Improved access to services

Three Shared Responsibility Agreements were also signed with Ngaanyatjarra communities, covering municipal services, community stores, and youth education and training. In partnership with the Australian Institute for Aboriginal and Torres Strait Islander Studies, (AIATSIS), the Desert Knowledge CRC has recently studied the RPA and noted that 'it only achieved the most rudimentary of its objectives, and most of the Shared Responsibility Agreements proposed under its framework did not proceed' (Sullivan 2009:11). His conclusion points to the shortcomings of well-meaning policy developed far from the place of implementation. Centralised management of programmes 'is inherently too slow in responding to demand, inefficient in the application of resources, and prone to errors introduced through long supply chains' (2009:19).

Sullivan has observed that 'Ngaanyatjarra control of service delivery occurs within a complex corporate and financial environment that binds them in to wider Australian societal processes. In fact, they cannot exercise a degree of regional autonomy without at the same time integrating themselves with mainstream processes of corporate regulation and financial accountability to remote suppliers of funding' (Sullivan, 2009:8). In one sense, it is desirable that regional arrangements connect and are bound to wider processes, since effective governance cannot exist in a bubble. But the tension here is about the ability of regional governance to exercise sufficient strategic decision-making to achieve its goals. This needs to take place without governance being weighed down by the pressure of external administrative responsibilities and therefore becoming a

bureaucratic layer rather than an agent of regional development. The balance between proper accountability and administrative overload is a sensitive one.

Although a desk-based study does not permit a full picture to be drawn, there are insights from the Ngaanyatjarra experience that are closely relevant to our objectives. The first is the proposed case management approach to building capacity, implying the development of a close relationship between key people locally and government staff or appointees in order to achieve defined goals. Although not without conceptual problems, this approach does offer potential due to its emphasis on long-term partnership and therefore may support the aims of the Indigenous Implementation Board. We return to the subject in the section of this report that analyses the case studies.

The second area of interest is the interpretation of policy by local staff to achieve optimal outcomes on the Lands. Given that Ngaanyatjarra communities are located at the end of a long supply chain of policy and programming from government, their ability to be active users and influencers rather than passive recipients of services and policy is a key factor in the progress made in the region. Again, we will come back to this subject in the next section.

### **Katherine West Health Board, Northern Territory**

Although specific to health services, Katherine West is well known as an example that provides many pointers to effective regional governance more generally. Westbury and Sanders (2000: 13) use the Katherine West Health Board (KWHB) example as a model of how regional boards can be established to allow local Indigenous participation in high-level decision-making roles, and recommend 'investing heavily in educating Board members... including utilising innovative reporting systems designed for people with low literacy levels'. They also point out that 'extensive consultation with non-Aboriginal residents' was also important to successful service coordination in the KWHB case. Robinson et al. (2003: 17) also sum up their review of KWHB and the other health service arrangements by claiming that establishment of the Boards, coupled with comprehensive application of new technologies for 'clinically relevant strategic information' increases the potential for stronger measures of accountability.

Northern Territory Minister John Ah Kit agreed in 2002's Indigenous Governance Conference that 'What we have here in the Katherine West Health Board is a serious success story' (p.5). He attributes this success to two major factors: extensive training of elected board members, and the 'cashing out' and pooling of individual Medicare funding by State and Commonwealth governments. Both of these steps helped to overcome what he refers to as the 'funding system maze' that Indigenous people faced and were ill-equipped to deal with. Ah Kit claims that 'by changing the fiscal relations between governments and Aboriginal people, we've really promoted genuine community development' (2002:4).

This year, five people who play key roles in the KWHB talked about the reasons for their success at the 2009 National Rural Health Conference (Cox et al. 2009). Key points they address are:

- Extensive consultation process – every person in a region with a population of over 3000 people was consulted, according to Andrew Bell (p.2)
- Realistic timeframe in which to accomplish this (1995-2001 from beginning of consultation to management takeover)
- Close relationship between governing board, management team, and communities

- Open communication – so that ‘our communities call us’ (says CEO Sean Heffernan, p. 4)
- Regular open community consultation meetings
- Cultural safety – an Aboriginal reference group, representing all language groups in the region, has been set up to screen all new programs for cultural sensitivity
- A secure funding model (‘the funds pooling model has worked very well for us’, says Andrew Bell, p. 2)
- Flexibility to tailor services to client needs (attributed to the pooled funding model, p. 4)
- Community-elected Board members have final say in decision-making
- Strong emphasis on systems and quality, including weekly collaboration meetings between senior health workers from the entire region
- A regional size that is ‘large enough to have the capacity to for expertise and stability, but small enough to be very focused on our communities’ (p.3)

CEO Heffernan also explained that the Aboriginal reference group and the Board have called for a re-examination of Katherine West at this point in time, so they are currently planning a 6-12 month process of strategic planning to update their vision. Bell also notes plans to expand the funding pool model across the whole of NT, beginning by creating steering committees that have to option to later become health boards (p. 3).

The funding pool mechanism used by KWHB is worthy of further exploration should the Indigenous Implementation Board wish to take a more in-depth view of the implementation of the Katherine model. Robinson et al. write ‘the pooling of Commonwealth and Northern Territory funds for all services created for the first time a basis for management of service delivery according to regional and community perspectives... created stronger demands for accountability in service delivery... with the flexibility provided by the funds pool and the increased funds, the Boards have sought to tackle environmental health and other areas of community public health... [and] produced rapid growth of Aboriginal employment’ (Robinson et al 2003: 7-8).

Of course, the need for suitable levels of competence and capacity to be available locally to handle pooled fund arrangements is critical and has also emerged from research of the Desert Knowledge CRC on remote services. In Katherine West, it is important to note that the board members entrusted with the pooled funding were provided with extensive training. The boards began as purchasers of services for their communities. Robinson notes that ‘both Boards actively beyond the role of funds pool manager and purchaser of services... to become the major providers of health and community services to their regions’ (2003: 7).

There is much to be learned from Katherine West. The two distinctive points that we wish to draw out for the benefit of this study are as follows. First, the scale at which governance was defined in Katherine West has been central to the effectiveness of its governance model. In Western Australia, scale will also be critical, especially since region demarcations are already well-established (such as the Kimberley and the Pilbara). A key question will be around the suitability of these conventional divisions for an effective regional governance model given existing boundaries of kinship, language and culture.

And second, the degree of reform in Katherine West has progressed much further than other examples, leading to bold developments springing from the confidence associated with earlier successes. Most notable of these are new fiscal arrangements, including the apparent embedding

of pooled funding and service purchasing by local boards. We say 'apparent' because the scope of this review has not enabled us to check the current status of the arrangements in Katherine West. But their significance lies in an ambition to take reform beyond simply decentralising decision-making to empowering local people through enabling them to manage local budgets and make choices about priority allocations of resources.

### **Murdi Paaki, New South Wales**

Murdi Paaki is a region in the North Western and Far West sectors of NSW, with an Indigenous population of 7300 (as of the 1996 Census). This amounts to 14% of the area's total population. The Murdi Paaki regional governance system representing the region's Aboriginal population is comprised of sixteen Community Working Parties and the Murdi Paaki Regional Assembly. The Working Parties each elect one representative to the Regional Assembly.

Community Working Parties are described in the 2006 Charter of Governance as 'an innovation of the Murdi Paaki Regional Council' (which was replaced by the Regional Assembly between 2002 and 2006). Working Parties are mandated to be 'representative of people in their communities... are owned by the communities themselves and are of their making' (p. 12). Their stated functions include:

- advancing community, family, and individuals' interests;
- engaging with all levels of government in service provision;
- determining community priorities and plans;
- implementing community vision;
- sustaining local governance;
- negotiating service delivery with government agencies; and
- articulating community goals.

The Regional Assembly performs 'a crucial role as both a "gateway" and "checkpoint" for implementing programs and providing services for Aboriginal and Torres Strait Islander people at the regional and community levels' (p. 11). Their functions include:

- advocating Aboriginal interests;
- formulation and periodic revision of a Regional Plan; determining regional priorities;
- assisting, advising, and co-operating with all levels of government in implementation of the Regional Plan;
- reporting to Working Parties on operations of all levels of government and NGOs;
- monitoring implementation of programs;
- co-ordinate activities of different government bodies at all levels;
- developing policy proposals to meet the needs of regional Indigenous peoples;
- reporting on the achievement of outcomes on a quarterly and annual basis.

The Regional Assembly has expressly stated 'the need to work within the COAG National Framework of Principles for Delivering Services to Indigenous Australians' (p. 13). In doing so, the Assembly's financial and administrative arrangements aim to 'assist the Regional Assembly and

Community Working Parties to effectively influence and participate in policy development, program design and decision making... assist in the development of strong and skilled Indigenous leadership... facilitate the engagement of Indigenous people with the wider Australian society... build capacity at the community level... [and] sustain services and developments’.

In stating their position to the development of a national representative body for Indigenous Australians, the Regional Assembly has stated that: ‘We believe it would be impractical at this time... to prescribe the constitution of the national body. Important for us, however, are the regional and local arrangements to underpin national governance arrangements’ (2008: 1).

A Regional Partnership Agreement was signed in Jan 2009 between the Murdi Paaki Regional Assembly, the New South Wales Government, and the Commonwealth. Assembly Chair Sam Jeffries referred to a ‘lengthy negotiation process’, and said that the agreement ‘rewards us for the contribution we have made, and continue to make, to improving the social and emotional well-being of our people in the most socio-economic disadvantaged areas in NSW... [and] recognises the Murdi Paaki’s region and our belief in good governance ethics, in community and regional governance, its legitimacy, its leadership and its empowering expression that hands responsibility to us’ ([www.daa.nsw.gov.au/news/18.html](http://www.daa.nsw.gov.au/news/18.html)).

A qualitative analysis of the experience in the Murdi Paaki region is not available from the literature. However, we can draw key points from the documentation available. The emphasis on tying the activities of the Regional Assembly closely to national policy is critical and supports our analysis later in this report that regional governance is most effective when properly connected to state and national agendas rather than existing in some kind of parallel world. Whether this is easier to achieve in western New South Wales than more remote locations of Australia is a moot point. The other important insight from Murdi Paaki is allowance for the time needed for governance arrangements to grow strong. This calls for, to use an oft-repeated phrase in Aboriginal business, everyone ‘walking the path together’ rather than reaching for instant solutions that may turn out to be illusory.

### **Torres Strait Regional Authority**

The Torres Strait Regional Authority (TSRA) grew out of the Torres Strait Regional Council (TSRC) formed in conjunction with ATSIC in the late 1980s. The current TSRA Board is comprised of 20 members:

- 15 representatives elected as Councillor for their community to the Torres Strait Islands Regional Council (TSIRC- not to be confused with the TSRC mentioned above)
- 2 representatives elected as Councillor for the communities of Bamaga and Seisia to the Northern Peninsula Area Regional Council
- 3 Members elected directly for the TSRA by the Wards of Port Kennedy (on Thursday Island), Horn and Prince of Wales Islands, and Tamwoy, Rosehill, Aplin, Waiben and Quarantine (TRAWQ, on Thursday Island).

The Board is described by the TSRA website as ‘the political arm’ of the authority, and determines the authority’s policies and budget. The TSRA administers programs to councils and community organisations in six key areas:

- Economic Development – business funding, home ownership, community economic initiatives
- Employment and Training – community training, and employment development
- Native Title – representation and assistance with land management
- Housing and Environmental Health – infrastructure and community housing
- Social and Cultural Development – municipal, broadcasting, social justice, heritage, sport, social services
- Policy Coordination and Development – marine and fisheries, natural resource management, infrastructure, health

In addition to the Torres Strait Regional Authority, three other regional governance institutions exist: the Torres Shire Council, the Torres Strait Islands Regional Council (TSIRC) and the Island Coordinating Council (ICC), although the continuing existence of the latter is unclear from the literature. The arrangements and recent history of these councils are extremely complicated, and many reports are undated. However, we are able to discern some key points of value to this review.

The ‘Torres Strait Islands Regional Council’ (TSIRC) was proposed by the Local Government Reform Commission. The report is not dated, but dates cited include up to June 2006. This report recommends the creation of the TSIRC to replace the 15 local governments, and govern for their area. The proposed TSIRC would consist of 15 councillors and a Mayor. The report claims that this area ‘forms a community of interest based on geographic, social and economic interests’, including an industry focus on traditional land utilisation, fishing and, to a lesser extent, tourism.

The rationale for forming the new TSIRC (in addition to developing a ‘community of interest’) mainly has to do with increased capacity-building for local governments; improved planning, development, and service delivery; and the pooling of administrative resources to create an ‘economy of scale’. The report also notes that ‘The notion of establishing community boards as advisory mechanisms to the new council may have merit in this particular instance to help preserve and enhance the cultural identity of the respective island communities and facilitate management of land tenure arrangements on the islands that comprise the new council’ (Page 2, Section 3.3). We have been unable to determine whether or not the TSIRC was formed in the shape set out by the proposal. The Council’s website ([www.tsirc.qld.gov.au/](http://www.tsirc.qld.gov.au/)) is currently under construction. Further work could be conducted to find out more details should the Indigenous Implementation Board wish to do so.

Sanders (1999) reported that the Torres Shire Council (TSC) is the local government for the three ‘Inner’ islands (Thursday, Horn, and Prince of Wales Islands). These islands have a much more ethnically mixed population than the rest of the region and the TSC is open for both Indigenous and non-Indigenous people to vote and to serve in office. The TSC was a subject of controversy in 1997 when the Commonwealth commissioned an inquiry that recommended a ‘Torres Regional Assembly’ to replace the TSRA, the TSC, and the ICC. The Mayor of the Torres Strait Council strongly opposed this recommendation due to his concern that it was part of ‘a hidden political agenda to neuter the rights of non-indigenous residents of Torres Shire’ (cited in Sanders, 1999: 5). The Commonwealth ‘backed away’ from the proposal to abolish the Shire, and the Queensland

Government presented a stronger opposition on the grounds that 'it is not clear how, or if, the relationships between Island Councils and the Queensland Government would change... [and] indigenous residents must be confident that the new body is able to effectively represent their interests' (cited in Sanders, 2006:7).

It is not entirely clear whether or not the Island Coordinating Council (ICC) is still in operation. In 1999, the ICC was comprised of 17 island council members plus a Chairperson and one additional member elected from the Islander reserved area of Thursday Island (Sanders 1999: 3). According to the above-mentioned report on the creation of the TSIRC, the ICC voiced its support for creation of the new regional council. It is not clear from the literature how these various regional governing bodies interact, and to what extent they work together.

Lessons from the Torres Strait are more difficult to discern than other examples due to the limited analytical papers available. On the face of it, the complexity of the governance picture presents a possible barrier to good governance, although it may be that the arrangements are simpler in practice. The emphasis of the TSRA on defined programs of work gives a strong practical emphasis to governance, but its description of the Authority as 'administering' programs perhaps reveals a ceiling to the strategic ambition of the model.

## **Local experiences of relevance to regional governance**

### **Tiwi Islands, Northern Territory**

Through observations from desk-based research, the quality of documentation developed by the Tiwi Shire appears to be central to progress made in governance in that region. The accessible, clearly laid-out business plan is an important way in which the shire has demarcated the roles, responsibilities, and code of conduct for key players, including elected members of the Tiwi Shire Council, the Mayor, Deputy Mayor, Chief Executive Officer, and Shire Council Staff members.

Although a central tenet of good governance, the separation of powers between members of management and board is not always observed, whether in the private, public or community sectors. It is therefore interesting to see this point clarified precisely in the Tiwi Shire business plan; while the Shire Council is responsible for governing the operation of the Shire, it 'does not become involved in the day-to-day management of the Shire – this is the responsibility of the Chief Executive Officer and senior management' (2008: 6). The document goes on to provide more detail about the difference in these responsibilities, mandating the Council to develop strategic plans and policies, and the CEO to represent those policies and to provide the Council with the information it needs to exercise effective governance.

The Business Plan's Code of Conduct, given to all new Councillors, clearly denotes the 'ethical responsibilities of Shire Councillors and staff and encourages a high level of accountability and transparency in Local Government'. It begins with the following statement: 'The Shire is the sphere of government closest to the people of the region. The actions and behaviour of the Shire Councillors and staff are likely to be closely monitored by the local community' (2008: 14). The ethical mandates noted include honesty; fairness; refrain from embarrassing individuals or groups; priority to public role over private role; community consultation and representation; collective

monitoring of the Shire's performance; accountability (with special reference to financial management). With regard to Shire staff, mandates include 'knowing their Shire'; cross-cultural competence; efficiency and responsiveness to community needs; and provision of experience and expertise. The plan notes the importance of teamwork between Councillors and their staff 'based on mutual respect and co-operation' (2008: 15).

Finally, the Business Plan provides an outline of 'key functions and considerations of Good Governance that have direct applicability to the Tiwi Islands Shire'. These are listed as:

- **Leadership** – 'creating an environment in which the community and outside stakeholders are encouraged to improve the quality of life while protecting the environment and cultural heritage of the region' (2008: 22)
- **Corporate planning, policy, and financial management frameworks** – including identification of community needs, setting of objectives to meet needs, and triage of demands and resources
- **Building institutional capacity** – ongoing need for training, with a particular focus on youth leadership
- **Consultation and communication** – with the communities through establishment of community boards; with the Government by developing and formalising a collaborative approach to support good governance, including dealing with cross-jurisdictional issues.

The emphasis taken by Tiwi Shire is instructive to this work and will be taken up in the analysis and recommendations of this report. The clarity of the Business Plan appears important in the way that the Shire goes about its business and the well-defined separation of powers is also significant.

### **Laynhapuy Homelands, Northern Territory**

Although covering a small area, there are insights on establishing regional governance within a wider policy environment to be gained from the experience of the Laynhapuy Homelands Association Inc. (Laynha). We have included it for that reason. The association is the resource centre for a fluctuating population of 600-800 Yolngu-speaking people in nearly 20 surrounding outstations in Arnhem Land. Frances Morphy (2008: 141) describes Laynha pre-2005 as 'an organisation not fully attuned to the wider governance environment and how its role was viewed in that environment, and it was ill-prepared for the neo-assimilationist turn in government policy' that came with the dissolution of ATSIC. Morphy argues that a power struggle has emerged between two conflicting views of Laynha:

- Government, or 'neo-assimilationist' view – which sees small homelands communities as (to quote the 2005 Minister for Indigenous Affairs, Amanda Vanstone) 'cultural museums'. Morphy argues that if the Laynha homelands are seen as 'static repositories... a particular kind of (remote, expensive, "dysfunctional") service population', then Laynha is seen simply as their service provider. As such, Laynha is seen as 'partible', playing different roles for different government departments (ie housing, employment, health service).
- Yolngu view – which sees Laynha as an organisation with over 20 years of history as a Yolngu-run entity, but as essentially an interface between 'two worlds': 'Yolngu staff

members overlap with the Yolngu 'world' (and with each other), and the non-Yolngu staff sit between the periphery of that world and the state' (2008: 139).

Due to the unbalance of power (Government holds the purse-strings) the first view appears to prevail, and there is, in practice, a constant demand for 'upward' accountability, but very little accountability of Government to the people. According to Morphy, until recently the Yolngu Council members 'did not have a clear view of the burden of accountability demanded by the state, nor of the mechanisms of accountability' (2008: 138).

After ATSIC dissolved, and the CDEP program was transferred from ATSIC to the Department of Employment and Workplace Relations (DEWR), Layna was 'thrust into crisis mode' (2008: 141). Rigid policy mandates were put on Laynha that placed unrealistic demands on the organisation in light of the region's economic realities. Laynha was given 12 months to set up a business and to transfer 15 people from CDEP positions into 'real' employment. Unable to meet the target due to lack of capacity, resources, and government support, Laynha was admonished for doing 'poorly', and given new, higher targets and a mandate to create two businesses in the following twelve months. CDEP guidelines also called for the appointment of board members with 'accounting, legal and/or business qualifications', a more precise expression of the need for governance capacity than we have found elsewhere.

In response to the change in circumstances, Laynha commissioned a review of its organisational structure, revamped its executive arrangements, hired a CDEP coordinator, and appointed a non-Yolngu CEO for the first time in history. Yet, according to Morphy, 'despite making great efforts to comply with government requirements, to the extent of compromising the Yolngu view of the role of Laynha as an organisation, at the time of writing the future of the organisation seems very uncertain' (2008: 142).

The frank insights provided on Laynha are useful to this review as they draw out attention to the challenges of establishing governance arrangements that are effective for Aboriginal people, government agencies and other major participants, such as mining companies. Valuable to consideration of governance models for Western Australia is their open acknowledgement of the challenge of effective governance that bridges contrasting political and cultural perspectives.

### **Kowanyama, Cape York, Queensland**

Again, although this example relates to a smaller population and geographical coverage than that being considered by the Indigenous Implementation Board in Western Australia, Kowanyama does provide specific knowledge that is relevant.

The Kowanyama settlement of Cape York Peninsula is a large, remote mass of land populated by around 1000 people. In the 1980s-1990s, formal local government authority was vested in the Kowanyama Aboriginal Council, but in practice a large portion of decision-making is actually made by a (large) number of other local organisations, including the Land Management Office, cattle company, women's group, Counsel of Elders, justice group, and other smaller informal groups. Moran (2007) describes the collective decision-making conducted by these groups as 'local governance'. He writes that 'A number of local initiatives came to be widely heralded... as best

practice' so can serve as a case study for examining the 'conditions of successful practice and innovation in governance', focusing on the 'interactions of leaders and employees practising on an interethnic field between Aboriginal and non-Aboriginal domains' (2007: 1).

Of the 575 adults over the age of 18 in Kowanyama, Moran describes 450 as the 'silent majority', as opposed to the 130 or so who attended public meetings at least once a year. Of the 30 residents who were considered as political leaders, the majority were informally deemed as such, through their traditional stature, social standing, or simply their willingness to speak out. The minority of leaders were elected through a democratic process. Moran argues that the Kowanyama case study 'demonstrated the prominence of permanent outside employees to decision-making' (2007: 14).

As with Layhna, Kowanyama also brings a useful and practical analysis to the subject of governance at the interface of complex worlds. Conceptually, and strategically, we recommend later that these issues should be central to the early phase of development of regional governance models in Western Australia.

## **Analysis and commentary on experience in Australia**

Our analysis of the examples presented in the previous section, along with the experience and knowledge of the Desert Knowledge Cooperative Research Centre, leads us to identify six themes for consideration in the development of regional governance models for Western Australia. These are:

1. Representation
2. The interface between government and Aboriginal people
3. Leadership and capacity
4. Policy responsiveness
5. Planning and investment
6. Scale and structure

We have taken a decision not to address governance systems within this report. The reason is that we consider systems to fall within the realm of the functioning of effective governance, rather than the more strategy focus required in developing governance models. The literature on good practice in governance systems, especially in the corporate sector, is voluminous. By contrast the literature available on governance systems in the Aboriginal setting covered by this report is much more limited. Using the opportunity of regional governance in Western Australia to adapt lessons from the wider governance environment and to formalise practice in this area would be an important advance and a valuable contribution to the field.

In the following sections of the report, we provide an analysis and commentary on each of the six themes.

### **Representation**

A central challenge for any regional body is to achieve effective representation of Aboriginal people across regions that invariably contain a complex and diverse set of family, kinship, historical, cultural and geographical influences. Arguably, these conditions also exist in the suburbs of our

major cities, which are a patchwork of community, religious and ethnic groupings. The difference in remote Indigenous governance is that concepts of governance and decision-making may differ sharply from the contemporary western model that prevails in urban, non-Aboriginal Australia.

As Morphy (2008) points out, in Arnhemland the Yolngu kinship traditions reflect the deep complexity that still determine, to a certain extent, power structures within the Laynha region. The highly localised and historical system makes it extremely difficult to fit governance of Laynha homelands into a Western model of governance, to the extent that even the question of who is a member of the community (and, hence, the governing association) is far from straightforward.

Similarly, Moran describes the Kowanyama polity as 'intertwined in a complex and dialectic relationship with the wider society' (2007: 4). A mixture of traditionalist (ie kinship) and contemporary (ie materialism) influences created overlapping loci of power in the local, Aboriginal arena, and Martin writes that 'Rather than attempting to resolve this complexity, the local political arena was better conceptualised in light of its political pluralism, as a complex of competing (and at times balancing) interests' (2007: 4).

Morphy's (2008) study of the Laynha homelands (in Arnhem Land) highlights how remoteness and distance between settlements can be an obstacle to western democratic election processes. She writes that Laynha AGMs tend to draw only around 30-50 participants to elect 12 board members – well under ten percent of the region's population – due to the time, effort, and expense necessary to travel within the region. Morphy frames this more of a problem for Western eyes than Laynha's Yolngu constituency – she writes that 'this process is democratic... what emerges is more like a system of proportional representation that achieves a balance between the different kin networks and regional interests of the membership' (133).

Of course, the characteristics of families and communities living in remote locations are also important. The overview of the 2003 Ngaanyatjarra Council Report describes the difficulty of taking an individualised approach to development (ie Medicare system) when a number of residents do not hold a permanent residential address for receiving paperwork. Morphy (2008) describes how the Yolngu population is highly mobile, for reasons of social and cultural ties as well as logistical factors, such as the need to relocate in the wet season or to move to town to conduct business of various kinds.

Morphy argues that, while this mobility poses a problem for policy makers 'who want to deliver services to bounded entities with sedentary populations', a different model of community membership is needed to provide a better cultural fit with the Yolngu region. Morphy's model understands the community as a 'nodal network (a set of localities that receive the full range of Laynha services) and a penumbra of other homelands that are connected to the organisation in particular ways but peripheral to it in others' (2008: 11). These concepts are useful in thinking how effective governance might work within regions of Western Australia that are also characterised by high mobility.

The work of the Centre for Aboriginal Economic and Policy Research (CAEPR) in the field of Indigenous governance is valuable. A major research project by CAEPR, conducted by Diane Smith and Janet Hunt (2006) identified the complexity of community governance as a key issue needing attention. They explain that communities can exist on the basis of geography, shared identity, historical connections, as well as bureaucracy. This, they write, calls for 'a more sophisticated understanding and engagement between government agencies and different types of Indigenous

communities' (p. 2). They also draw attention to the rise of certain communities as 'demographic hot spots', which are experiencing dramatic economic and social changes due to population growth. They highlight the 'urgent need to strengthen Indigenous governance arrangements in these communities' to help them manage these changes.

The CAEPR 'Indigenous Community Governance Project' (ICGP) by Hunt and Smith also details several 'design principles' or 'rules' that underpinned a broad range of Indigenous governance arrangements in different settings. The central principle was that of 'networked governance': meaning federalised or joined up systems of governance that are based on interconnected layers and units of people, operating within and across communities and regions' (2006: 3). Underlying many networked governance systems, they found a shared set of design principles:

- Each of the interconnected groups, organisations, and communities have their own **roles and responsibilities**;
- **Devolved authority** - decision-making should take place as close as possible to the people affected, meaning that no higher centralised polity should carry out functions that can be carried out more effectively at local levels
- **Egalitarian distribution** of resources, powers, and responsibilities, with simultaneous recognition of leadership 'nodes' (as the 'connectors')
- **Influential nodal leaders** can both mobilise governance and jeopardize it
- **Relationships and shared connections** are the foundation of networks... the underlying imperative is to get a **balance between** the desire amongst smaller social units to have **local autonomy and independence**... alongside their equally compelling desire to also maintain **wider relationships**, political alliances and participate in larger-scale representative coalitions' (2006: 4).
- **Governance histories** shape current arrangements; they can generate tensions in the present day, but working through this can allow the 'rebuilding [of] valued relationships and developing new connections relevant to current needs' (p. 4).
- **Building an Indigenous 'culture of governance'** will require support for the 'governance capacity, role, and responsibility of each layer in a governance network... not just the 'top' or central level' (p. 4).
- **Network resilience** is achieved through building strong connections both within each network and also between networks – 'Isolated networks are vulnerable to externally imposed changes' (p. 4).

Hunt and Smith's research finds that these design principles have been used by Indigenous governance arrangements in a number of community, local, and regionalised settings. In the context of the challenges facing the Indigenous Implementation Board, these principles may well appear to be complex and ambitious, but they should be considered as part of the development of effective governance that could be built incrementally, rather than implemented as a short-term exercise.

Further insights on this subject come from the Kawerak example in the section of the report on international experiences. In this case, the Kawerak demonstrated a measured and flexible approach by subcontracting with a particular community in order to deal with complex Tribal relationships within their region.

In summary, by analysing the case studies through the lens of representation, it is clear that a number of key principles can be discerned and these are backed by practical experience and evidence gleaned in Australia. Running through principles are common threads that include the need for governance to be built upon an understanding of the nodes of authority that exist within a region and the critical networks and relationships that can either drive good governance or work against it. Cultural match is essential. This calls for both a comprehensive understanding of local perspectives on governance and the fostering of a positive governance culture that values and supports regional arrangements. As we shall see in the international examples, monitoring of performance and innovative approaches to engagement with local people and communities can be powerful in building a strong base of support for regional governance.

### **The interface between government and Aboriginal people**

Research by the Desert Knowledge Cooperative Research Centre, through its project 'Desert Services that Work' (<http://www.desertknowledgecrc.com.au/research/services.html>) has indicated that the interface between government staff and Aboriginal people is the critical area to be addressed if service quality and outcomes are to be improved. As Smith and Hunt described in their paper (see previous section), there often exists a shortfall in proper understanding and engagement between government and Indigenous people (2006). This lies at the heart of effective governance and is central to the recommendations presented later in this report.

The concept of strategic engagement is relevant here (Martin 2003). Martin describes how 'the challenge is to develop distinctly Aboriginal organisations which nonetheless facilitate effective management with the dominant society rather than limiting it' (p.142). In this sense, the word strategic is critical. The Indigenous Implementation Board, in presenting its achievements and plans, is concentrating on strategic goals as opposed to administrative or management arrangements (IIB, 2009). Strategic engagement focusses on a longer-term vision within which short-term decisions can be made, but which ensures that underlying values and priorities remain paramount.

As the CAEPR Indigenous Community Governance Project has stated, 'The principles and practice of governance are not culture-free. They are the product of cultural values, institutions, behaviours and motivations. In other words, there are cultural determinants of leadership, representation, accountability....Indigenous concepts and practices of governance are often at variance with those of non-Indigenous people' (Hunt and Smith, 2005:5). In developing regional governance models, proper engagement between government and Indigenous people is therefore critical. Moran (2007) focuses specifically on the interethnic practice of governance in Kowanyama, an Aboriginal settlement on Cape York Peninsula. He emphasises the lack of research into good practice in interethnic governance, and the need for more work to explore the 'conditions for successful practice, including the training and professional development of practitioners' (p. 1). He writes 'most studies in Australia have positioned Aboriginal culture within an administrative vacuum. Whilst clearly unintended, these studies effectively promoted a rationale for the marginalisation of Aboriginal people from local government decision-making' (p. 3).

Moran's study found that 'the interethnic nature of the dilemmas faced in practising local governance was such that no individual or group from either the Aboriginal domain or the non-Aboriginal domain could fundamentally find solutions on their own... out of the daily mill of deeds, disagreements, and face-to-face activity, leaders and employees absorbed the interethnic

dilemmas of local governance and reached an agreed basis on how to proceed' (2007: 14). To Moran, the key seems to be the development of innovation in governance to with an aim to produce productive social contexts between local leaders and 'trusted outsiders'.

Morphy (2008) describes divisions in the way that local Aboriginal people and Government departments (and, to a certain extent, non-Aboriginal people working in communities) tend to view Aboriginal homelands and their organisations (with particular reference to Laynha). While Senator Amanda Vanstone, described homelands as culturally static 'living museums' with organisations (like Laynha) to service them, Yolngu saw Laynha as a 'two-worlds' zone which allowed them some form of self-determination within and interaction with the wider government structures.

Sullivan's (1988) work in the Kimberley (as described by Moran) generated a similar view, claiming that 'ambiguity results from [community organisations'] activities being directed toward two distinct domains: the first being to the Aboriginal domain and the appearances of self-determination; and the second being to the non-Aboriginal domain and its mechanisms of administrative control' (Moran 2007: 2). This ambiguity seems to be at the heart of the conflicts that Morphy describes between Laynha and non-Aboriginal individuals and organisations (ie. staff workers, and DEWR once they took over the CDEP program). Although we find the concept useful for the purposes of describing effective governance, Moran argues against the conceptualisation of interethnic governance structures as an 'interface' between two worlds, instead referring to Holcombe's description of these structures as 'a shared hybridised "third space"' (Holcombe cited in Moran 2007: 4).

David Lines, the community development officer for the Katherine West Health Board, notes the challenges of working with non-Aboriginal staff for program delivery (ie. language and cultural barriers), and points to the importance of developing strong, open lines of communication between Boards and community members: 'We get to hear what we're doing well, also where our challenges lie; so we have that open discussion about how we can change to make it appropriate for each community' (Cox et al. 2009: 4). This is accomplished through yearly week-long visits by management groups, program staff, and the board to each of the communities they service.

Cox et al. (2009), Holcombe and Sanders (2007b) and Moran (2007) all mention the importance of realistic time frames in developing productive working relationships. As an example, Holcombe and Sanders spent six months simply establishing a relationship with the Anmatjere Council (in Ti Tree) in the Northern Territory, attending meetings, sharing information about themselves and their projects, and allowing them time to make a decision about whether or not the local residents wanted to work with them. Sanders and Holcombe also remark that 'good governance for Indigenous communities can be as much about processes as structures' (2007b: 85). They named the three processes they engaged in with the Ti Tree study as (1) 'to identify and mutually inform a number of diverse stakeholder interests' (2) 'identification of ideas for change' and (3) 'clarifying more precisely the obstacles of change' (2007b: 86-7).

Hunt and Smith point out the importance of 'government and other stakeholders to recognise the different leadership nodes and networks operating in Indigenous communities... especially with relation to how leaders acquire, exercise, and sustain their power' (2006: 3). They describe a 'node' of leadership as a 'site within a system of governance where resources and networks can be mobilised by individuals and organisations, so that action can be initiated' (2006: 2). They also point out that a challenge facing communities is to more clearly demarcate and support the different

leadership nodes (including governing officials and managers), while the main challenge facing governments is to provide greater support for community development as well as leadership mentoring for leaders and managers.

Research by the Desert Knowledge CRC in the Western Desert and East Pilbara area of Western Australia examined the apparent lack of representation of local Martu people in decision-making processes relating to services in Newman and surrounding communities, despite the presence of a significant Martu population. One important finding was that the boundary between the Martu domain and that of major service providers such as the government and BHP Billiton took the form of a strong divide that made proper engagement and communication difficult to achieve, despite a certain amount of goodwill on both sides (McGrath et al, 2009). The existence of intermediary organisations such as Kanyirninpa Jukurrpa enable this boundary to be spanned, so that greater dialogue is achieved, although the scope for improved processes and structural change to increase the role of Martu people in governance in the region remains great.

The subject of the best way for governance to interact with government on the one hand and Aboriginal people on the other, is a recurring theme in the literature, if expressed in different ways. Local governance requires specific expertise. This may be cultural, technical, policy or simply on good governance itself. As the Desert Knowledge CRC has found in the East Pilbara, individuals or agencies that span the boundaries between the worlds of Martu people, government and business are critical. Interpretation of policy reform in the Ngaanyatjarra Lands has been central to their success. The question for the Indigenous Implementation Board to address is how a governance model can best incorporate this concept. Most importantly, boundary spanners or trusted outsiders need to be facilitative parts of the system rather than power bases in their own right. Many of us will have experienced the destructive influence of 'gate-keepers' in Aboriginal affairs.

If there is a single underlying message from this analysis, it is that governance models must not exist in a bubble. They need to be connected to national policy processes. And while regional governance for Aboriginal people would be an important step forward for Western Australia, a model that serves the population of the state as a whole is arguably equally important. For where there is a vacuum in regional strategic, investment, decision-making and planning processes, these are surely felt by all people living in remote and regional Western Australia. The challenge is therefore to create a regional model that can operate effectively across multiple interfaces both within and outside the region.

## **Leadership and capacity**

A point made in the Report on the Kimberley Conversation is that there is a 'failure of responsibility on the part of the Aboriginal community in general, which has become conditioned to dependency on government and therefore accepts systemic dysfunction as part of every-day family and community life' (Kimberley Institute, 2009:vi).

Many Aboriginal communities are considered passive in their dealings with government because they do not have access to the skills and knowledge, such as English language, records maintenance, literacy and numeracy that are necessary to engage with government agencies. This point that recurs throughout the literature on governance (see Ah Kit, 2002; Ngaanyatjarra Council Report, 2003;). An approach recommended by Ah Kit (2003) and Westbury and Sanders (2000)

emphasises the importance of extensive training for elected members of the Katherine West Health Board, and attributes the great success of the KWHB largely to the extensive investments in this area. NT Minister John Ah Kit writes: 'I can't overstate the importance of this sort of 'capacity building' for Aboriginal community organisations. Without it, we're just setting up Aboriginal people to fail (2002: 3).

While part of the problem is a lack of bureaucratic skills in Aboriginal communities, another major part of the problem is over-complication of arrangements between regional communities and Government. Ah Kit (2002), for example, notes the 'overly-complex and uncoordinated nature of government funding', referring to this as a 'maze' that makes it extremely difficult for even well-educated people to develop rational, long-term funding strategies.

Moran's Kowanyama study revealed that over half the population of adults over 30 in this region did not attend a single public meeting over a ten-year period. He notes that community leaders were concerned about this, and 'had well-developed thoughts on how' to do so (2007: 7). Key residents were questioned about reasons for the low participation, revealing a variety of factors, including fear of not being able to speak 'in a proper way', lack of meaningful employment, the need for a push ('point to them and make them talk'), inability to speak out in the presence of others, and simple lack of interest. One female elder responded that 'You only hear their voice come out when they're drunk' (Moran 2007: 8).

Moran (2007) also conducted an empirical study that revealed a strong correlation between employment and public meeting attendance. One-third of people who attended public meetings had long-term employment, another third had been employed within the past four years, and almost the entire remaining third were elders with extensive employment histories. In addition, Moran found that all councillors elected in 2000 and 2004 had a history of full-time employment with the Council. Interestingly enough, the majority of full-time employees in the town fell into what he deems the 'silent majority', concluding that 'Despite being a strong precursor to leadership, current employment otherwise seemed to preclude people from participating in governance, because of the obvious time constraints' (2007: 9).

One important finding of Moran's study is that, while personal characteristics (ie age, gender, and even drinking tendencies) were all represented in the leadership of local organisations, they were 'more clearly discernible in at the groupings of organisations... the function... largely defined local participation in its activities – that is, form followed function' (2007: 9). Another key finding was that 'Fundamental to Aboriginal participation was the primacy of interpersonal transactions, which can only be built with respect and trust over time' (2007: 14).

Sanders and Holcombe (2007b) point to the importance of both using social science research to 'probe' into the strengths and inadequacies of local governance arrangements. They write that their aim in this to both gain 'more refined understandings of existing social situations' and that 'A more distant hope... is also that some of the other players with whom we are engaged may also, through their involvement, develop and improve their own probing skills... [which] is sometimes referred to as capacity building' (2007b: 89).

Clearly, suitable skills and competencies are central to the exercise of effective regional governance. This is common to all the case studies we have surveyed and, it could be argued, critical to the most successful examples have been competent, skilful and effective individuals. The summary of the findings of the Indigenous Community Governance Project (Reconciliation Australia

2007), although concentrating on community rather than regional governance, provides a cogent analysis and overview of the need for strategic approaches to capacity-building: 'Indigenous governing members and other leaders in organisations require ongoing development in order to better understand their different roles and responsibilities in relation to management and governance. Facilitated, place- based, governance training can support board members and other leaders to clarify their respective roles and develop workable policies. Consideration needs to be given to strategies to reduce the isolation of Indigenous governing members/councillors and leaders in organisations, particularly in remote regions, to enhance their access to wider leadership and information networks, and strengthen their communication with each other' (2007: 6).

Reconciliation Australia and CAEPR also make observations about the capacity of government itself. All governments should give serious consideration to strengthening the provision of public sector training regarding Indigenous policy and program implementation issues. Specifically, bureaucratic skills need to be enhanced to meet the challenges of shaping and implementing policy to develop stronger Indigenous governance at the local and regional levels' (2007: 16). We return to this subject in the conclusions of this report.

The Department of Indigenous Affairs has its own knowledge in the community governance and capacity-building through the Balgo Community Capacity Builder project (Kavanagh 2008), which will shortly be evaluated with support from the Desert Knowledge CRC. But confident leadership is also a prerequisite for good governance. Given our experience in this field, we believe that the support to building the confidence of key individuals ought to be explicit in capacity-building for regional governance. Confidence of individual board members in a new regional model would come from clear roles and responsibilities, well-defined authority and access to reliable information and sound advice.

## **Policy responsiveness**

The other side of the interface discussed in the previous section is the government itself, which for Aboriginal people means the people they meet and talk to when visiting government offices or receiving visitors from agencies. Policy responsiveness is the extent to which government policy is informed and influenced by local needs and priorities. This is directly determined by the quality of the communication between public servants and Aboriginal people.

As Fred Chaney pointed out in a recent address to the Sustainable Economic Growth for Regional Australia (SEGRA) Conference in Kalgoorlie on 27th October 2009, government practice in this area often falls far short of acceptable standards (Chaney 2009). He described recent visits made by public servants to communities in Western Australia that he observed while visiting at the same time. These visits were poorly-planned, singularly failed neither to meet with the right people in the community nor to communicate with local people on the topics that they were there to achieve. Chaney described the report they would have made back to their office as stating that the job had been done and that the community was satisfied. This may be a simple example, but it is common to anyone with experience of remote policy and programs. This point is reinforced through research on services conducted by the Desert Knowledge CRC, which examined shortcomings in engagement between communities and public servants during the Northern Territory Emergency Response (Kennedy 2009) and Ali Curung (Wright and Elvin 2009). The problems it illustrates are both weaknesses in communication and poor accountability for results.



The responsiveness of Federal and State-generated policy to Aboriginal concerns expressed through regional governance arrangements is a function of the capacity of individual public servants themselves. To a degree, the responsiveness of policy also depends on the length of what Sullivan has called the 'supply chain' of policy decisions (Sullivan 2009). Based on research on services in the Ngaanyatjarra Lands, Sullivan notes that decisions made in Canberra are at the end of a very long supply chain to communities such as Warburton, since many of those decisions on policy, programs and funding are communicated via government agencies at state level in Perth. However, Sullivan notes that the relative stability of staffing in the Ngaanyatjarra Lands and the skill of local council staff in interpreting and communicating policy to residents has mitigated the effect of the supply chain such that the problems experienced in similar settings in remote Australia are less apparent. Areas of Western Queensland and the Northern Territory come to mind, as shown through other research by the Desert Knowledge CRC (O'Rourke 2009; Kennedy 2009).

Morphy (2008) notes that power imbalances between regional governance organisations (such as Laynha in Yolngu country) and Government (who 'hold the purse-strings') tend to result, in practice, in a great demand by Government for 'upward' accountability for financial management, with little ability for regional communities to demand accountability for outcomes from Government. Moran's (2007) Kowanyama study points to the unnecessary administrative workload generated by duplication of service programs, explaining that services 'were increasingly provided by regional Aboriginal organisations, but with no net decrease in the number of government departments delivering the same services... The lack of coordination among these agencies was a constant feature' (2007: 4-5). Moran also points out that, while most people believe that Aboriginal people are generally 'over-consulted', in the Kowanyama case at least, this only applied to an overworked 5% of the population who served as leaders.

According to Moran, these leaders 'displayed a collective concern to represent the interests and improve the participation of their constituents... [and were] eager to "share the load" and had well-developed thoughts on how to increase participation' (2007: 7). He emphasises that the commonly held picture of leaders as 'elite without mandate, preoccupied with jealously guarding their power' was entirely inaccurate in Kowanyama, explaining that while formal, external accountability mechanisms mandated by government agencies did play some role, accountability arose largely from the 'informal workings of local internal political control' (2007: 7), noting that constituents were aware and monitoring performance of public servants despite low attendance at public meetings.

Hunt and Smith's study also found that a few local leaders and managers tended to be overloaded with work in trying to respond to a wide range of community needs with limited resources. They call for a 'need for fully costed service delivery in Indigenous communities' (2006: 2), a point which is also being pursued by the remoteFOCUS project of Desert Knowledge Australia through its propositions on fiscal reform in remote Australia (DKA 2009).

Overall, our analysis is that government itself is often poorly-equipped to communicate with Aboriginal people, to make the necessary observations and to convert their analysis into policy development. This problem is compounded by the apparent lack of evaluation systems or processes that enable the key ingredients of successful programs to be understood and replicated elsewhere (Fisher and Rola-Rubzen 2009). In addition, the continual churn of government staff changing positions or being redeployed following even minor reorganisations within government offices means that knowledge and relationships have to be rebuilt, sometimes several times over a

period of a few years. Too often, the emphasis of government bureaucracies is on administrative and financial accountability to the detriment of strategic approaches at the regional level, which is addressed in the next section. For the Indigenous Implementation Board, this analysis calls for consideration of regional governance in a broad, systemic sense to include the capacity of government (and business) to work with any new arrangement.

## **Planning and investment**

References to strategic investment in regional programs are largely absent from the literature on Australian examples. This indicates that most authorities and commentators on the subject remain preoccupied with establishing governance models and processes that enable day-to-day management decisions to be made. Longer-term strategic planning, especially around the investment of resources in new programs and projects, has not received the same level of attention.

In this context, it is interesting to contrast policy approaches to infrastructure projects in urban settings, where they are generally planned as a means of overcoming capacity constraints in the economy and to enable growth in capital cities (see the Eddington Transport Study in Victoria, 2008). Similarly AusAid policy on overseas development, which features 'Infrastructure for Growth' as a central component in, for example, its Indonesia programs. Policy on planning and investment for remote and regional Australia has no such ambitions. Instead, investment in projects and programs tends to concentrate on fixing problems rather than supporting long-term development.

One of the most effective examples of regional governance described in this report is the Katherine West Health Board (KWHB) and it is no coincidence that this is also where the board has been able to take a closer interest in developing pooled funding arrangements that enable strategic decisions to be made about allocating and investing resources to match regional priorities. But transferring the purse strings to regional hands is only one step. After all, Sanders (2004) notes O'Donoghue's (1997) criticism of ATSIC for delegating funding for some ATSIC programs to regional councils, claiming that this led regional councils to become too inward-looking. This is one lingering consequence of unsuccessful ATSIC policy that needs to be addressed in new regional arrangements in Western Australia.

Conceptually, this is where a development approach to regional governance is relevant. It also emerges in some of the international examples cited in the next section of this report. The underlying principles of a development approach are that they place human development goals at the centre of governance. Human development encompasses all aspects of individuals' well-being, from their health status, to their livelihoods to their economic and political rights. In services, this implies that access to an essential service such as energy is not just about being able to switch on an electric light or power a tool, but is a means for an individual or a household to achieve improved health, well-being, education, security or other higher-level human development objectives. This is the subject of a working paper by DKCRC for a workshop hosted by Parsons Brinckerhoff around services to remote communities in Western Australia (Fisher 2009).

The value of this conceptual shift for development regional governance models is that the work of governance is gauged in terms of longer-term development outcomes, rather than addressing short-term problems. But development approaches are also about process. In practice, this means

participation, sustainability, empowerment and ownership of development by those who stand to benefit from it, which ties in closely to other commentary made in this report.

Another field of conceptual relevance to regional planning and investment in Western Australia is that of social inclusion, which is the subject of a reference group within the State Government. Although often applying to situations where people with disabilities are seeking to overcome social and economic exclusion, the concepts have come into much wider application in recent years in the context of bringing users of government services into a position where they are actively involved in managing performance, setting standards and making decisions on priorities through a systems of local trusts and boards. This extends the pooled funds model of Katherine West and others into a realm where local governance of schools, hospitals and other key services are client-led rather than provider-led, to use the relevant terminology. At a recent presentation by the Eidos Institute in Brisbane, a former health minister in the UK Government described the direction taken in that country over a period of ten years to empower consumers in systems that were formally centrally planned and delivered (Milburn 2009). Last year the Brotherhood of St. Laurence ran a symposium on social inclusion that addressed similar issues (Brotherhood of St. Laurence 2008).

In conclusion, the economy within which Aboriginal communities exist is characterised by welfare transfers, individual rights to royalties, government programs, small service-orientated businesses and larger national or transnational companies (such as mining or pastoral businesses). The traditional and subsistence activities of Aboriginal people are a significant part of that economy. In summarising what has been a more conceptual discussion of planning and investment in lieu of practical experience unavailable through the literature, we believe that the core issue is the scope and nature of regional governance. Effective regional governance models need to look and feel significant to the range of people affected by their work. They must relate closely to the particular concerns and unique economy of regional Western Australia. This is why conceptual and strategic development lies at the heart of the recommendations made in this report.

## Scale and structure

This subject will receive less treatment here than other parts of the analysis because there are no set prescriptions for scale and structure. The influences on scale are unique to each setting. They include population density, the presence of strategic and administration centres, existing nodes of power and networks, the physical reach of a governance model and the resources available to establish and run it.

It is necessary to return to first principles when designing regional arrangements. Smith (2005) provides a set of definitions of elements of regionalism, going on to examine Aboriginal concepts. She describes some regions as being administrative creations with notional boundaries, some are devolved jurisdictional regions, some are functional regions relating to, for example, flows of certain goods and services and others are culturally-based regions. 'In respect to Indigenous 'regions', there is substantial anthropological documentation of their dimensions and reproduction within Indigenous societies across Australia. They include regional ceremonial blocs, regional networks of sites and dreaming tracks (where regions may cover states and transect the nation); regional trade routes and patterns of economic exchange; regional networks of mobility; and layered natural groupings underlying regional patterns of traditional governance (such as collectivities of groups

arising from shared language, ceremonial affiliation, clan and land-owning relationships, dance-style groups, kin connubia and so on)' (2005: 2).

The scale at which governance arrangements are set needs to be appropriate to the responsibilities and the authority of the model. Sanders and Holcombe (2007a) criticise the Northern Territory's push for regionalisation because it eliminates remote local governance schemes in favour of fewer and fewer regional, multi-settlement governments. They argue, instead, for a 'combination of single-settlement localism and multi-settlement regionalism... which respects and builds on localism rather than discounts and disparages it' (2007a: 3). Offering the case of Laramba and Engwala settlements in the Northern Territory as a success story, in comparison to settlements closer to Ti Tree, which are 'slowly being reduced to not much more than outlying, very basic dormitories' (p. 4) due to the concentration of services in Ti Tree as the regional centre of the Anmatjere Community Government Council (ACGC). Laramba and Engwala, argue Sanders and Holcombe, have escaped this fate due to their relative remoteness, but yet continue to develop ties to the regional network. One important feature of this relationship, they note, is the appointment of a Community Manager in each settlement who has 'important links to the local community organisation and committee, as well as to ACGC' (2007a: 7).

Hunt and Smith specifically address the challenge of achieving legitimacy in governance arrangements, warning that if two key factors are ignored, then 'the research indicates that governance credibility can be substantially undermined, and effectiveness jeopardised as a consequence' (2006: 5). The two key factors they name are:

1. 'representative structures and decision-making processes must reflect and resonate with contemporary Indigenous views of what are the 'proper' relationships, forms of authority, and cultural geographies' and
2. these structures 'must be combined with practical management and functional capacity to deliver outcomes' (2006: 5).

The study found that Indigenous people will be much less likely to support initiatives that fail to meet these requirements, resulting in a continuing cycle of marginalisation and disenfranchisement.

Hunt and Smith emphasise a 'facilitated community development approach' to building legitimate governing institutions, that are 'Indigenous-designed and directed toward Indigenous goals, explaining that 'Governance is greatly strengthened when Indigenous people develop their own rules rather than simply adopting externally created institutions' (2006: 5). They describe this process as 'an essential foundation of governance' and place emphasis on the need for organisations to adopt a 'governance culture' which 'places a high value on developing its people's skills, their personal and collective contributions, and their shared commitments to... governance processes and goals' (p. 5). They found that this capacity building investment is most effective when it is place-based, to allow for ongoing practice and mentoring; focuses on building institutions that are legitimate and effective; and is based on self-assessed priorities.

Hunt and Smith also discuss the 'governance capacity' of government, referring to the complexity and conceptual challenges of Indigenous governance issues as 'key hurdles' for policy-makers. They found that despite attempts at the 'whole-of-government' approach, 'territorialism by government departments remains entrenched' and, as a result, 'Indigenous organisations need

high levels of negotiation, leadership, management and financial skill to manage the rate of externally imposed changes' and most organisations are 'locked into patching together funds from a multitude of programs to sustain their core functions' (2006: 6).

There is a tension between the scale at which governance can be most effective (not too small to lose strategic value, not too large to become diluted) and cultural boundaries within a region. Mapping these boundaries as a means to exploring different scenarios of scale will be important. The convention of the design structure coming after strategy is defined (or put more simply, form following function) is also critical. In defining regional governance, there is may be a tendency to work on structures first, since this enables everyone involved to feel a sense of progress and to visualise the arrangements on paper at an early stage. Our advice, to which the report returns in the recommendations, is to ensure that the content, the strategy and the purpose of regional governance is thoroughly worked out before structures are designed. Structures exist to deliver strategy, not the other way around.

## International experience of models of regional governance

*After years of research, we have yet to find a single case of an American Indian nation or Canadian First Nation demonstrating sustained, positive economic performance in which somebody other than the Indian nation itself is making the major decisions about governing institutions, governmental policy, development strategy, resource allocation and use, internal affairs and related matters.*

Cornell and Kalt, 2003:13, cited in Hunt and Smith, 2005)

In surveying international experience in this field, it was important to focus our work on contexts that are relevant to Indigenous Australia. In practice, this means:

1. Settings where governance arrangements have been established by and for Indigenous people where they form a minority of the overall population of a nation-state;
2. Locations where governance models operate for large numbers of people considered marginalised within the economy of a country, such as poor farmers or shanty town dwellers;
3. Places where governance has been critical to social and economic development in disadvantaged regions of prosperous countries, such as remote parts of Europe, Alaska and Scandinavia.

The following examples draw on international literature, with a focus on best practice in this area. However, our desk-based research identified a smaller volume of literature than we expected at the outset. This may illustrate that there are fewer researchers working in this area than in Australia, that practitioners are rarely writing up and presenting their experiences, or both. The result is less in quantity than envisaged, but there are still some important insights to be gained. Further research could explore these case studies by contacting the organisations directly and entering into greater personal correspondence than has been feasible within the scope of this limited research project.

## **Kawerak Incorporated, Alaska**

Kawerak Incorporated is an Alaska Native regional non-profit corporation serving the Bering Straits region. The region includes three culturally and linguistically diverse Eskimo groups: Siberian Yupiks, mainland Yupiks, and Inupiat. Kawerak is described as 'a Tribal consortium, authorized by Tribal resolution to compact and provide services to the membership of 19 of the Bering Straits region's 20 Tribal Councils' (Tribal Self-Governance 'Success Stories', website: [www.tribaleselfgov.org](http://www.tribaleselfgov.org)). Tribal Councils represent communities of 125-1,600 members, for a total regional Native population of around 6500. The governing Board of Kawerak includes the President or Chief of each of region's councils, plus two elder representatives, and the Chairman of Norton Sound Health Corporation, which is Kawerak's 'sister' organisation that provides health services to the region.

Kawerak was created as a Tribal Consortium in 1973 and became part of the Self-Governance Demonstration Project in 1990. The reasoning for its formation was the lack of cost effectiveness of running some programs in remote villages. President Loretta Bullard explains that 'By working together, we were able to minimise administrative expenses and maximise services' (quoted on the Tribal Self-Governance website).

Services provided by Kawerak include:

- Education – preschool through adult, including basic literacy, vocational training, and higher education
- Social Services – child welfare, Village Police, Rights protection, housing, realty, and the only Native American Adoption agency in the State of Alaska
- Agricultural – supporting primarily the reindeer industry

Some of the more notable (and specialised) programs created by Kawerak include:

- Tribal Coordinator Program – which funds positions in each of the local Tribal councils, and provides training in priority areas
- Village Planning Assistance Program – which trains Tribal members to work as grant writers for their communities

Learning from the success of the latter program, Kawerak has rolled out a plan to solidify village financial and administrative systems so that Tribal Councils will be able to administer grants at the village level. They have also contracted services to develop a simple computerised administration system, which will enable all villages to successfully maintain accounting to all state and Federal standards. A major challenge noted by the Self-Governance Coordinator for Kawerak is the time-consuming nature of getting funds transferred to the regional body and to 'track dollars through the system'.

Another notable aspect of Kawerak is their willingness to develop sub-contracting arrangements with the Gambell community through its Council. For reasons that are not discussed, Gambell opted to sign an agreement with Kawerak that 'passes Gambell's share of funding directly through to Gambell. It's a simple arrangement and is working well.' They note that previous governance systems would not have allowed them the flexibility to make such an agreement.

## Canadian Co-operatives

Hammond-Ketilson and MacPherson (2001), from the Centre for the Study of Co-operatives at the University of Saskatchewan, recommend the use of a co-operative business model in Aboriginal communities for social, economic, and cultural reasons. Using the example of the Torengatt fishing co-op in Newfoundland, which produced \$100,000 in profits for their 650 members, they argue that this is an economically viable option for remote communities. They explain that 'co-ops can offer an innovative alternative for groups that would not normally have access to capital or business support. By pooling resources, unlikely groups have come together to share costs and expenses' (2001: 144).

Other arguments presented in favour of a co-operative model include:

- 'The inclusive governance structure of co-operatives responds to Aboriginal demands for greater involvement in decision making over their own affairs' (p. 7)
- The co-op model builds in transparency and reporting requirements to offer legitimacy and accountability.
- Collective management entails training opportunities for staff
- Co-ops can deliver products and services to members based on community needs
- They 'are seen to be naturally compatible with Aboriginal values of collaborative and supportive community planning' (p. 7).

The authors note the difficulty and time-consuming nature of proper consulting processes necessary to develop a shared commitment, but argue that this is necessary for a 'solid outcome'. The important insight from this example is that cooperative arrangements are one approach to building engagement with regional governance and support for it.

## Institute on Governance, Canada

John Graham (2007), of the Institute on Governance in Canada, a think tank on governance issues, draws three broad conclusions from applying World Bank international research in 209 countries to the situation of Canadian First Nations:

- There are no universal formulas – communities must shape and build their own forms of governance, and this usually takes a long time (decades)
- Outside agencies cannot impose good governance – but 'requires instead strong political commitment from within, along with some 'doable' initial priorities, a lot of patience, and some willingness to help on the part of some key actors' (p 3)
- Evolution is required – "build on what works" is a useful rule of thumb' (p. 3).

He also points to evidence from the World Bank Study (Governance Matters IV, 2005) that the most successful systems of governance are balanced – including an effective government sector, a strong private sector, independent media, and a large, active set of voluntary organizations. He writes, 'such systems provide checks and balances on the exercise of power by all players in the system, thus promoting accountability and legitimacy and voice. Other benefits include

encouragement and support of individual entrepreneurship and initiative (performance and direction); of people helping themselves and others (performance and fairness); and of options and choice for citizens in employment (fairness and performance)' (2007: 4). One of the few descriptions of governance models that might be more widely applied is described by the Institute on Governance as a balanced system (see Figure 1 below). This contrasts with the unbalanced system depicted in Figure 2.

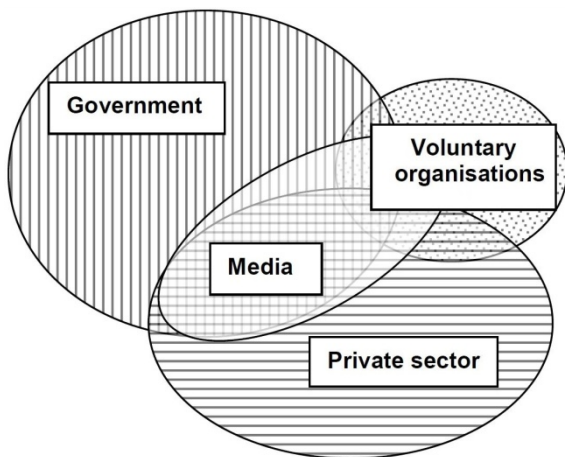


Figure 1: A balanced governance system

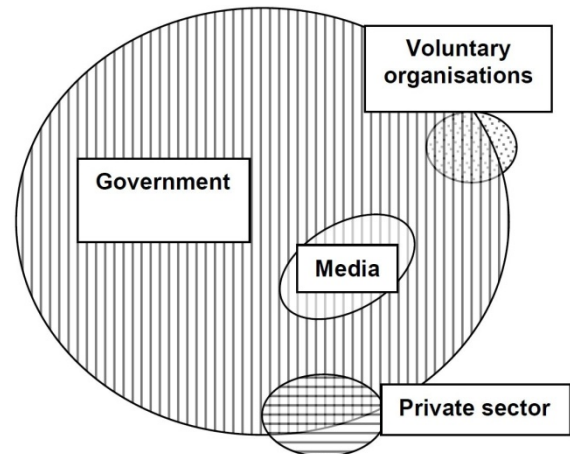


Figure 2: An unbalanced governance system

The concept of 'balance' is that the public and private sectors are strong, there is an independent media and a large and active set of civil society organisations of various kinds including sports clubs, church groups, advocacy organisations and so on (Graham 2007). The Institute describes how international evidence suggests that balanced systems are present in countries that rank highest on good governance indicators (although no references are provided).

The paper goes on to summarise the five universal principles of good governance:

1. Legitimacy and voice;
2. Accountability;
3. Fairness;
4. Performance;
5. Direction.

According to Graham, balanced governance systems respond well to all these principles. Our analysis of these points in the context of this study for Western Australia is provided in the next section of the paper.

### Black River First Nation, Canada

Our third short case study from Canada is an example of the governance in relation to a large company operating in the region. Don Clarke, a Black River First Nation man, describes the

relationship between his community and the Tembec Paper Group as ‘meaningful, respectful, and culturally/corporately appropriate’ (2006: 6). The Black River Nation has a population of around 800 people in Eastern Manitoba, and their traditional lands comprise the centre of Tembec’s operations.

An initial period of negative interactions between the company and the Nation included protests and responses to the protests by Tembec. Subsequently, partnership in the Manitoba Model Forest project (which promoted sustainable forest management through forestry education, social inclusion, and best practise in forestry) was a first step in improving the relationship between the company, environmental groups, government, and local First Nations communities.

As First Nations demanded greater say in company operations it was agreed with Tembec to establish committees, including the Traditional Area Committee and the Trapper’s Committee, that would allow for First Nation representation in company decision-making. The leaders of the Black River Nation communities also began meeting with Tembec with the aim of improving relations and ensuring consultation before logging on traditional territories.

Tembec staff were also invited to community meetings, where they were able to discuss and receive feedback on the impacts of their practices. Tembec responded to concerns voiced at meetings by changing some of their practices. They also partnered with the community on a number of initiatives aimed at improving environmental, educational, and economic outcomes.

Clarke argues that this relationship has produced mutual benefits for the Nation and the company: ‘It is clearly understood from our relationship building with Tembec that a positive relationship between the two parties has assisted Tembec in their harvesting operations and for them to obtain Forest Stewardship Council certification. For the community it has provided new opportunities for training, successful deployment of environmental initiatives, employment and economic opportunities’ (Clarke 2006: 6).

The value of this example to this report is that it illustrates quite a simple process based on building relationships across the ‘boundary’ to which we have referred in earlier examples. No doubt any arrangement of this kind comes under pressure when decisions are taken at a higher level that preclude the views of the committees established to discuss company operations. But in developing regional models for Western Australia, and noting the danger of them becoming isolated from the wider governance and business environment, this example is worth keeping in mind.

### **The Harvard Project for American Indian Nations**

In a much-cited conference paper presented in Canberra by Begay and Kalt (2002), the researchers list several guidelines emerging from their extensive studies in American Indian self-governance (including the Harvard Project):

- Self-rule – they argue that this is the only policy decision that has worked to improve social and economic indicators for American Indians in the past century
- Maximising Aboriginal control of programs – this ‘shortens the line of accountability’, and improves ‘cultural match’
- Changing incentives – from project outcome ‘checklists’, to innovative systems producing sustainable improvements and more accountable authorities. Two recommendations for accomplishing this are:

- Block granting – which minimises micromanaging and puts Aboriginal authorities in a more powerful position to allocate funds (note the parallel with Katherine West)
- Performance-based funding criteria – measuring program outcomes mid-way and after a program as a basis for continued funding, rather than upholding a pre-program checklist.
- Building institutional capacity – as opposed to capacity of individuals – supporting Indigenous-developed institutional infrastructure, ie. culturally-matched grievance procedures or Tribal Courts: “Planning” requirements that encourage Indigenous nations to “jump through hoops” set out in micro-management criteria of federal programs distort institutional capacity and frequently lead to paralysis of planning in which securing planning grants and demonstrating plans takes the place of economic development’ (2002: 7).

Martin (2003) describes the Harvard Project as making 'an unequivocal link between the general well-being and economic development of Native American nations and the existence of mature, politically robust and competent Aboriginal organisations which have a 'cultural match' with their constituencies'. He also reminds us that the project focuses on economic development, a point that is notable in the context of the extraction of resources in Western Australia and the social disadvantage experienced by many Aboriginal people in its regions.

The point we make here is one also made previously but with a different emphasis; models of regional governance that actively connect with economic opportunity and influence regional investment require processes that provide for much more than the administration of the affairs of a particular region.

### **Sirajganj Local Governance Development Fund Project (SLGDFF) Bangladesh**

The Sirajganj Local Governance development Fund Project SLGDFF was a government-initiated project undertaken with an aim to reduce poverty by bolstering local governance initiatives in one of Bangladesh's largest and poorest regions. With a literacy rate of only 27%, local councils were largely ineffective, suffering from problems with community accountability, transparency, limited authority, excessive bureaucracy, and poor financial resources. The project focused heavily on encouraging participation and representation of women and the poor. The success of the SLGDFF pilot project has led to a plan to replicate the program in five more districts.

The Sirajganj project 'was nationally executed by the Local Government Division, which was also responsible for scaling up the initiative. Project implementation was guided by the National Steering Committee, which was chaired by the secretary of the Local Government Division, and the District Project Advisory and Coordination Committee, chaired by the district commissioner of Sirajganj' (2007: 30). Local councils were in charge of implementing the project, and were selected to participate based on adherence to a set of criteria including representation of women, up-to-date accounting, and functionality of monthly meetings.

One key element of SLGDFF is that it disburses funding directly to local councils on an annual block grant basis. Local councils are then responsible for planning and allocation of funding for sustainable development initiatives. Performance-based grants determine continuation of funding to councils, based on a scorecard system. This scorecard was intended to improve public

accountability, and includes criteria such as the involvement of women in council activities, control of tax collection, community participation and budget transparency.

One element that really stands out from this example is the flexibility with which monitoring staff implemented the scorecard, evident in the following: 'Initially, the scorecard was developed by the project team based on the roles and functions of local councils. However, over time, the stakeholders changed most of the issues the project team addressed, including the method of project implementation. The participatory performance assessments were undertaken at public meetings attended by 80 to 120 people, facilitated by the local council coordinator. The scorecards were hung on a board and attendees were asked to assess the effectiveness of the local council' (Sirker & Cosic 2007: 28). This indicates that the grants allocation system included reflective processes that allowed the community to influence the very criteria on which council performance was evaluated. Sirker and Cosic also provide evidence that 'revenue mobilisation and collection efficiency have increased as community members have a better understanding of how the money is used' (2007: 29).

In summary, the key elements of the Sirajganj model of value to the development of regional governance models for Western Australia are:

- Performance-based funding; the block grants and scorecards discussed above
- Open budget sessions; with draft budget first displayed on notice-board so that community could review and prepare for the public meeting
- Notice boards and complaint books; the first for council to communicate project information to community, the second to allow for community feedback
- Social mobilisation and inclusion:
  - active measures were taken to engage the community in public meetings
  - meetings were held in the beginning and end of health, agriculture, and education projects to ensure quality and community ownership
  - citizens were also urged to participate in project committees, were selected by fellow citizens at open meetings, and were given appropriate training to fill their roles
  - 'The community was mainly mobilized through an information campaign conducted by local councils using various media, such as drum beating, leaflets, invitation letters, microphone announcements, and personal contacts, all of which are inexpensive and sustainable' (2007: 30).
  - 'Various process-based mechanisms reflected participation by women, such as the use of coloured cards to show women's needs, special planning groups for women, and screening to ensure that women's interests were met during final selection' (2007: 30).

SLDGFP employed a 'learning by doing' approach. Here is a summary of the key problems they encountered and their attempts to resolve them:

- Political interference – centralised administration of the project allowed higher-tier legislators to grant funding based on political affiliations. Public posting of all information regarding funding was used to minimise this.

- Bureaucratic mindsets – higher tier government officials did not trust local councils to plan and allocate funding. Proof of community outcomes eventually began to change their minds.
- Community lack of awareness – many community members did not understand the way that local government works. Community awareness campaigns included the use of folksongs, theatre, leaflets, notice boards, and posters.

Sireker and Cosic (2007) claim the following outcomes of SLDGFP:

- **Greater responsibility** for local governments – including financing of infrastructure and service delivery by locally elected councils (rather than unelected officials at sub-district level, who had disbursed funds previously), and planning/budgeting for sustainable development programs.
- **Accountability** and monitoring – developed innovative ways of improving information flows and making councilors accountable to their communities.
- **Gained the trust** of local communities
- **Improved service delivery** – ‘a study by the Asian Development Bank and the UNCDF shows a significant improvement in the performance of decentralized service provision under the SLDFGP. These improvements are particularly marked in the area of construction and rehabilitation of community assets, such as roads, paths, culverts, and tube wells’ (2007: 32).
- Increased **community access to decision-making** processes
- **Optimal use of funding** – projects were better quality are increasingly met budget targets
- **Mobilisation of local resources** – ‘Because communities were involved, they were willing to contribute to improve the quality of the work. Examples include cash contributions, provision of additional free labor, and greater willingness to provide land for works’ (2007: 32).

This report will refer to the key points from the Sirajganj model in its analysis and conclusion, especially as they relate to management of budgets against local priorities (with echoes of the Katherine West experience) and processes for building involvement of local people in governance.

### **Barents Cooperation between Arctic Scandinavia, Finland and Russia**

The Barents Cooperation is an interesting example of a regional, yet also international, governance system covering an area roughly 1,755,800 sq. km. We have included it here because of the useful insights the example offers on governance in complex environments and which includes Indigenous peoples.

The Cooperation was established in 1993, officially to promote development and healthy cross-border relations between Northern Europe and post-Communist Russia. There are two levels of organisation involved:

1. Barents Euro-Arctic Council (BEAC) – comprised of six foreign ministers from member states: Denmark, Sweden, Norway, Finland, Russia, and Iceland plus the European Commission. Meets at least every two years.
2. Barents Regional Council (BRC) – comprised of representatives from thirteen counties in northern Norway; Sweden; Finland (including Lapland, Oulo and Kainuu); and Russia. The Indigenous peoples of the region also have one representative on BRC.

Both levels of regional governance have their own committees to implement administrative systems, and to conduct work on prioritised issues between meetings (Committee of Senior Officials for BEAC and Barents Regional Committee for BRC). In response to concern over a lack of a permanent coordinating body, an international secretariat was established in Kirkenes in 2007 to provide technical support to both bodies and to working groups, and also to help with project implementation and information. Specifically, the secretariat is responsible for providing administrative support to participants, maintain records, and assist working groups in securing funding. Norway and Finland also have national Barents secretariats, which are responsible for processing funding project applications from their own countries.

Working groups have been established by both councils to carry out the substantive work required to tackle specific issues. Priority issues (ie. energy, culture, health and related issues, and education and research) are addressed by special joint working groups, which are co-chaired by national level and regional representatives.

The three reasons cited by Leland and Hoel for creating joint working groups are:

1. The official reason – inclusion of both levels (BRC & BEAC) of governance: ‘the inclusion of the regional level in international cooperation is one of the distinguishing features and underlying ideals of the Barents Cooperation’ (p. 48).
2. Cost – joint working groups reduce the number of smaller groups, reducing cost.
3. Streamlining – ‘joint working groups eliminate the duplication and overlapping that unavoidably take place when parallel groups exist’ (p. 49).

Leland and Hoel (2008) claim that the Barents cooperation has been ‘relatively successful’ in dealing with these priority issues, especially Health and Education, but not so successful in other important areas where no such joint working groups exist, such as economic cooperation.

The BRC aims to implement the goals of cooperation through a framework and action plan called the Barents Programme, which is renewed every 3-4 years. Most projects under the Programme are initiated by NGOs, educational institutions, and private actors such as businesses. As such, the projects vary greatly in scale, time-frame, and funding sources. Sometimes Barents officials also initiate projects by presenting their ideas to potential actors and urging them to apply for funding.

Aside from the Barents Programme, there are several other significant action plans, including the Regional Youth Programme, the HIV/AIDS Programme, and the Health and Social Programme, which is the most extensive and receives additional funding from the EU and WHO. It is also considered one of Barents’ greatest successes, focusing on health infrastructure in northwest Russia and reducing the spread of communicable diseases (particularly tuberculosis). The Working

Group on Health and Related Social Issues is responsible for planning and following up on the programme.

Leland and Hoel write that Barents Cooperation developed like Sirajganj, also ‘according to a “learning by doing” approach’ (2008: 46). They note that cultural differences and limited experience (particularly between Scandinavians and Russians) led to many failed projects along the way. The Cooperation received a large amount of bad press as a result from these industry and business failures, which made it necessary to ‘sell’ the regional alliance to the public using success stories. This has led to more of a focus on health issues (which are more universal, less controversial, and produce measurable outcomes relatively quickly) instead of Economic Cooperation, where a regional working group was established and subsequently dissolved. This may indicate that focusing attention on initially uncontroversial areas of success (ie health) may assist in forging public support and strengthening the regional body, which may be necessary to take on more risky endeavours (ie business ventures) in future. However, it remains to be seen whether Barents will ever perform in these more risky endeavours.

Unfortunately, discovery of very large oil and natural gas reserves just outside the geographical boundaries of Barents may lead to a ‘sidelining’ of the cooperation, as the Energy Working Group so far has little involvement in the economic development related to petroleum.

Leland and Hoel note that ‘this kind of cooperation is not one that produces quick results – results are better measured in terms of decades rather than years – especially since the overarching goals of the cooperation concern long-term positive development in the region’ (2008: 50). The long term successes claimed for the Barents model include:

- Improved health outcomes, particularly in Russia;
- Emergence of professional networks in the area, improving conditions for regional collaboration;
- Development of mutual trust and understanding in a culturally diverse region (even despite some early program failures), reducing tensions and facilitating further cooperation;

Some additional lessons learned from Barents Cooperation include:

- ‘well-defined projects with clearly specified, short-term goals have been relatively effective’ (2008: 51)
- Project objectives must be mutually understood and shared by all participants
- Cooperation among professionals (with similar educations and perspectives) is often easier to accomplish than between political or economic actors
- Priorities may need to change, in this case from economic cooperation to health -‘To retain public support for such a large international cooperative arrangement... it is necessary to have some safe bets’ (2008: 52).

Some shortfalls and drawbacks include:

- Lack of project funding available from Barents itself, leaving resourcing in the hands of unpredictable national funding bodies;

- Lack of permanent coordinating bodies, recently addressed by the establishment of the International Secretariat and the Finnish Barents Secretariat (the Norwegian Secretariat was previously the only such body);

It is also interesting to note a shift toward policies based on 'New Regionalism' in Finland, including the northern counties of Kainuu and Oulu (included also in Barents). New Regionalism concentrates on 'functional region[s]... where the territorial boundaries are not the consequence of political decision-making but by people moving and companies trading within a certain area' (Hornstrom 2008: 3). This seems to be especially beneficial for business development in regional areas, as streamlined administrative systems are more manageable, clear, and efficient for business actors.

New Regionalist principles construe regions as actors that should be responsible for their own development, rather than passive receivers of state aid, and gives regions more power to negotiate resources, with the idea that they will be best equipped to harness the economic potential of their area, as well as to redistribute wealth in a way that balances the benefits of economic growth for optimal regional welfare. A strong sense of regional identity is helpful, as it helps facilitate feelings of belonging and unity.

According to Hornstrom<sup>1</sup> (2008), New Regionalist thought is gaining influence in the EU generally. In Finland, Regional Councils are being given more and more responsibility, with many tasks shifting from the provincial offices to the Regional Councils in recent years. One potential problem with this is that Regional Councils are not usually elected directly, but rather appointed by municipalities (the processes for doing this were not made clear in the article). In Kainuu, however, there is currently an 'experiment' to directly elect regional officials, and to transfer the responsibility for health care, education, and social services from the municipalities to the regional council. No data is available as of yet to evaluate this project, which is being carried out in the region with the highest unemployment levels in the entire EU. Obviously, this case will be a good one to keep our eyes on, both as its own regional entity and as part of Barents.

In considering the Barents model in the context of Western Australia, there is much to learn. First, the orientation of governance towards measured results and the way that this is translated through the Barents Program, action plans and working groups. Second, the 'big tent' approach presented by Barents, which encourages involvement of multiple stakeholders from a range of different sectors and nationalities. And third, the new regionalism in Finland which, as a country with highly mobile Indigenous populations in the north, is a trend of interest to our thinking on Western Australia.

## Regional governance examples from Latin America

The population of some countries of Latin America includes large proportions of Indigenous people. For example, Bolivia has an Indigenous population of over 50% and elected its first president of Indian descent, Evo Morales, in 2004. Across the continent, there are 40 million people of Indigenous origin, making up 15% of the total. Given the increasing pace of economic development

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<sup>1</sup> This publication is only a draft, and the author stipulates that permission is necessary to quote it in official documents.

in countries such as Brazil and the growth in strength of Indigenous movements, we expected to locate more material on the subject than was eventually the case. Most of the literature on Latin America focuses more strongly on decentralisation than on regionalism.

However, Bolivia does provide a relevant example through the Bolivian Law on Popular Participation, passed in 1996. Its main instruments are:

- 20% of tax revenues are distributed to municipal governments
- creation of **Indigenous municipal districts** in areas with indigenous governments, resulting in the election of 400 Indigenous citizens to municipal councils
- legal standing was granted to roughly 19,000 **grassroots territorial organisations**, including over 12,000 rural, indigenous, and peasant organisations
- **oversight committees** created to represent rural and urban areas in development planning and to examine local governments' service and infrastructure programs
- **participatory planning** processes are adopted to facilitate cooperation between municipal governments and civil society. (Licha, 2002)

Turning to Chile, the most economically developed of Latin American countries and having experienced many years of conflict between the Chilean state and Mapuche people in the south, we find useful insights on governance. Rodriguez and Carruthers (2008) indicate that 'best practice' in Mapuche governance is not to be found in light of political undermining of CONADI, the peak Indigenous body, by policy makers who used a 'divide and conquer' strategy that increased conflict between Mapuche communities. One interesting case, however, that carries relevance is Proyecto Kelluwun, which translated means 'cooperation' or 'collaboration'. Although primarily concerned with education, this regional project aimed at 'increasing community participation in local educational and political contexts and has articulated itself as a potential force of social change as well as community empowerment and renewal' (Pastrana et al. 2004: 1). The project was conducted in Ercilla, where the indigenous population is high, and economic and educational indicators are low.

The most important element of Proyecto Kelluwun in light of the aims of the Indigenous Implementation Board in Western Australia is the ongoing use of action research. Similarly to the work of the Desert Knowledge CRC, 'monitors' from local communities were trained along with educational teams in action research methodologies, which produced the following benefits:

- Inspired interest in local communities about how to improve the education system
- Raised awareness among local authorities of how to create and enact democratic processes
- Enabled the participation of Mapuche communities through the process of free reflection
- Generated 'new impetus... to critique and act in ways considered institutionally "legitimate" – formally, in writing, and publicly – upon issues in a broader geographical area' (Pastrana 2004: 10)

It is also worth noting that division between different Mapuche communities and other conflicts and complexities required researchers to extend the initial time frame for implementing the project. Nevertheless, the value of ongoing monitoring as a tool for strengthening governance is important to note.

## Key insights and lessons from international experience

A good starting point for insights from international experience comes from the Institute on Governance of Canada:

*The difficulty of reaching self-government agreements indicates the need for more incremental and gradual approaches – ones that distribute power in governance systems that are more balanced and integrated with other levels of government. Indeed, these are likely the only approaches that will allow small communities already burdened with massive public sectors and significant capacity issues to make reasonable progress towards sound and sustainable governance.*

(Graham 2007: 7)

This passage provides a signpost to two principles that have been argued earlier in this study; the need for incremental development of effective governance and the importance of integrated of regional governance into the broader governance environment, especially through attention to the interface between regional governance and other key agencies and individuals.

The experiences of regional governance models from settings outside Australia that we have cited here provide the several insights of relevance to thinking on regional governance for Western Australia. Usefully, they provide different lessons to those from Australian examples. We discuss them under four headings of building local support for governance, outcomes, monitoring and location within the wider economy.

### Building local support for governance

The history of transient ideas, failed policy and conditioned dependence that pervades the field of Aboriginal and Torres Strait Islander affairs in Australia is an obstacle to new regional governance models for Western Australia. For the work of the Indigenous Implementation Board not to be seen as another ‘flash in the pan’, support will need to be built at the local level from an early stage.

This is where the frequent emphasis of international literature on established development practices of participation and mobilisation of community support are useful. It is well-known that building relationships over a long-term period is essential to working effectively with Aboriginal families and communities. The examples from Canada, Bolivia and the Sirajganj model in Bangladesh give us pause to think about how these might be achieved in a way that best serves the aims of a particular regional governance model. In other words, if a priority for regional governance is better services, then involvement of local people in measuring those services is valuable. If regional planning and investment is more important, then processes that enable people to understand and contribute to priorities would be more useful. Either way, the aim of building support for effective governance is still achieved.

## Outcomes

It may be glib to assert that governance exists to achieve results. But the reality is that governance can become an exercise in simply shifting power and resources from one place to another. This is a risk that the Royalties for Regions initiative faces in Western Australia. Some of the international examples that we have cited in this report emphasise the achievement and measurement of results, the Barents case being typical. For governance models to both specific measureable outcomes and then resource and measure them, is not as common as it ought to be.

## Monitoring

While monitoring and evaluation is still considered either an optional add-on to programs in remote Australia or an administrative exercise to measure funds expended, case studies from other countries show its true value. As before, there is a strong flavour of development approaches in some of the examples, including special provision being made for women and specialist training of local community-based monitors. The process of monitoring is considered, in the case of Kelluwun, to inspire interest in governance while in Sirajganj the focus is on improved communication and building trust. All these attributes are important and relevant to regional governance in Western Australia and deserve consideration here.

## Location within the wider economy

A fourth feature of the case studies we have surveyed is that most display a clear sense of their location within the wider economy. This is most obvious with the Barents example, which was arguably born in such a way that it needed a clear identity to function well across national boundaries. But it is also apparent from the Harvard, Alaskan and Canadian examples, particularly in the analysis of balanced governance systems provided by the Institute on Governance.

To re-emphasise a point already made strongly in this report, evidence exists that regional governance models are most effective in achieving the objectives of economic development when they are outward-looking. In practice, this means being aware of and able to connect with major business and public sector initiatives in the region. This represents another set of the interfaces or boundaries to which we have alluded earlier.

## Conclusion; key ingredients for regional governance

This has been a much more extensive study that we envisaged at the outset. The subject is complex and there is much literature available, although most is descriptive rather than analytical. In this section, we will distil the key areas of knowledge gained from this review into a summary of critical observations on effective regional governance for and by Aboriginal people, tailored to the context of Western Australia.

In summary, our conclusions fall into the following categories:

- Perspectives on governance, especially the importance of embedding governance within Aboriginal views of effective structures, processes and relationships, while ensuring that it is connected to the wider social, political and business environment.
- Approaches to strategy, especially to build a long-term and fundamental grounding for regional governance that makes the key choices to define its responsibility and authority.
- Strengthening capacity in a way that matches the ambition of the regional governance model, including suitable processes for building confidence, gaining access to specific skills and managing risks. This equally applies to supporting better capacity in government to relate to redrawn lines of devolved authority.
- Engagement with local people and across the boundaries that lie between business, government and a new regional model and with the aim of ensuring that regional governance is outward-looking and connected to other sectors.
- Monitoring and evaluation, with an emphasis on transparency of process and information.
- Structures that serve strategy and are fit for purpose.

In the section that follows, we develop each of these points as a full summary of the conclusions that have emerged from the review of regional governance models that underlies this report.

The first ingredient is a **thorough understanding of local perspectives on governance**.

Perceptions of the need for, the role, the value and the functions of governance will vary across the range of people with an interest in the subject in Western Australia. The most stark divide is likely to lie between Aboriginal people on the one hand and government on the other. It will be coloured by individual experiences of the most recent form of regional governance from the ATSIC era. And it will be influenced by recent developments, such as the Royalties for Regions policy, and how they have been felt by people or reported in the media.

To repeat Hunt and Smith's point, 'decision-making processes must reflect and resonate with contemporary Indigenous views of what are the 'proper' relationships, forms of authority, and cultural geographies'. We recommend that a thorough exercise is conducted to consult with knowledgeable individuals, work through the issues arising and define a contemporary Aboriginal view from the selected area in which a regional model is to be developed. The role of gender in Aboriginal perspectives on governance will need to be considered. Experiences from several of the case studies described in this study demonstrate that it is feasible to both gain an understanding of these contrasts and then use it to inform the process of regional governance. There may be value in conferring with people from selected regions, such as Murdi Paaki, as part of the process.

Second, the **definition of strategy**. This is not just about a strategy document. It involves reaching a clear sense of what the remit and the ambition of governance will be within a particular region.

This includes key decisions about fiscal arrangements, boundaries and partnerships, the definition of services and processes for selecting investments in regional development. It is certainly about vision, but more importantly is the task of reaching a shared, visceral understanding with key people and agencies about what a regional governance model will look like and feel like, from its level of authority to its ability to connect with Aboriginal people, government and business. This includes non-Aboriginal people living in the region. The literature rarely provides us with the insight on these matters than personal contact will achieve, although the remark made by Sean Heffernan in the case study of the Katherine West Health Board that ‘our communities call us’ is one such measure.

Of course, working through a strategic planning process in a logical manner is also essential. We recommend the use of logical framework methods as a means of establishing achievable overall goals that are served by a set of objectives whose underlying assumptions have been properly tested. In essence, this process determines exactly what the regional governance arrangements are designed to achieve. This may sound like too basic a question, but it deserves proper attention since all other key decisions flow from strategy, especially on engagement, capacity, scale and structure.

Third, **capacity**. This subject recurs in different ways in the literature but boils down to the need for the ambition of a regional governance model to be matched by the skills and competencies of the people working within it and the systems that they use. As we have seen in the case studies, the adoption of pooled funds at the regional level calls for a different set of skills and knowledge than the management of resources simply allocated by State Government. Partnership with mining companies and effective monitoring of programs calls for more specialist skills again.

There are diverse ways to achieve stronger capacity of regional boards and staff including individual coaching and mentoring, formal training, specialist advisors and interpreters (of language and for content). The case management approach used on the Ngaanyatjarra Lands is relevant here. Depending on circumstances, there is likely to be a place for all of these approaches, applied in combinations suitable to the needs and wishes of board members. We consider individual support to be particularly important, recognising that the backgrounds of disadvantage from which some board members may come, means that they will require assistance to work in a complex governance environment. Documented experience and examples are available to inform the design of such arrangements, including from the new shire councils in the Northern Territory.

We recommend that all approaches start with an appreciation of the skills and knowledge that already exists in any group of people tasked with exercising governance. Also that roles, responsibilities and authority are clearly-defined. As described earlier, the building of collective confidence is critical for a new group of people working together on challenging tasks.

Capacity is not a single-sided coin. Any regional governance model for Western Australia will also need to support capacity-building within Federal and State Governments to work effectively with devolved decision-making. To a large extent, this will require relevant departments to understand new lines of responsibility and to relinquish authority for decisions on which they formally exercised control. Even with the best will on all sides, this is no small task since it represents a fundamental redrawing of the landscape and will be unsettling for many key individuals in government. New frameworks may be required to manage risks in this area.

Fourth, **processes for engagement**. The starting point here is to map where the boundaries and interfaces for regional governance lie. A stumbling block for some models of regional governance in

Australia and overseas has been a disconnection from the wider governance environment, at state and federal levels but also locally. Inherent to any regional model of governance must be a clear sense of how it relates to the range of people who will depend on it for direction and decisions, as well as those who may be less closely engaged but will be critical to the success of the model, such as government agencies not directly involved in Aboriginal affairs.

Earlier reference in this report to spanning boundaries with government, business and local organisations is important to consider. In essence, processes will need to be developed that cross these boundaries and ensure effective communication and collaboration. The challenge is to create a regional model that functions effectively across multiple interfaces both within and outside the region.

Processes for engagement may be easier to define where objectives are clear, such as prioritising regional investment. They will be more problematic in situations that require interventions to be worked out within an environment that is already complex and competitive, such as improved services or economic development through Aboriginal enterprises. Overall, accountability and decision-making processes should be described clearly within regional governance models for Western Australia. Clarity of authority and responsibility is central to effective governance, a point that has emerged from several of the case studies described in this report.

Fifth, **effective monitoring and evaluation processes**. This is critical because it enables performance against strategic and operational objectives to be measured, contributes to accountability and is a key element of engagement with people living in the region. Case studies from Australia, Canada and Bangladesh offer specific guidance on this subject, including the use of action research to extend the contact of governance with local people and gather valuable monitoring data. A regional governance authority that makes available information about its progress in a transparent manner helps to build support for governance.

Finally, **suitable structures**. This work flows from decisions made about the other key ingredients. At its most basic level an elected board, working groups and a secretariat are clearly important elements, but consideration of how this will work in practice takes us back to an understanding of local perspectives, which was the first ingredient. The structures selected must be informed by historical context and by Aboriginal views on what constitute suitable relationships of authority. Legitimacy in governance comes from structures and processes that are validated by the people who will be affected by and involved in them. At the same time, they need to operate effectively in the wider environment of contemporary Western governance.

One final observation is we have is also made by many of the papers reviewed during our work. The development and implementation of governance models is an evolutionary process. Time is needed for governance arrangements to become settled and their effectiveness is best supported by learning systems, including monitoring and evaluation, which support long-term improvement.

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