

Local government service delivery to remote Indigenous communities: funding and service delivery model design

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Abstract

This paper presents the findings of the first phase of an investigation into model options for the funding and delivery of local government services in remote Indigenous communities in Australia. The study was undertaken by the Australian Centre of Excellence for Local Government (ACELG) in partnership with the Western Australian Department of Local Government (WADLG). This research reviewed and analysed models and approaches in various jurisdictions across Australia to identify key principles and success factors underpinning leading practices and innovative solutions to current challenges in service delivery. A case study approach was used employing a combination of desktop research and telephone interviews with selected policymakers and practitioners. This was complemented by a review of current academic and policy literature on remote service delivery. Six case studies were chosen for in-depth investigation based on their potential to yield valuable information that could be used to design future funding and service delivery model options. A set of guiding principles critical to the design of any model for funding and delivering local government services to remote Indigenous communities was formulated from a synthesis of the case study learnings and literature review. These research findings provide an evidence base that can benefit practitioners, policy-makers and researchers alike. This paper presents useful, up to date information and analysis that not only informs jurisdictions involved in the process of transitioning the responsibility for municipal service delivery in remote Indigenous communities from the Commonwealth to local governments, but also provides helpful insights for those jurisdictions focussing on improving local government service delivery in remote Indigenous communities.

Summary

- It is widely recognised that to date the standard of local government services delivered to remote Indigenous communities has been inadequate, and that governments and communities share a desire to close the gap in service standards compared with mainstream communities.
- In recent years, reforms in several jurisdictions have sought to improve this situation, particularly through shifting service delivery responsibility from Indigenous community councils to regional providers or regional or sub-regional local governments.
- A literature review combined with case studies drawn from several Australian jurisdictions enabled ACELG to formulate a set of guiding principles for consideration in the design or further development of funding and service delivery models for remote Indigenous communities.
- The principles highlight the importance of: benchmarking service delivery against mainstream standards; balancing the costs and benefits of regionalised and community-based delivery

models; avoiding undermining Indigenous community governance; innovating to achieve better place-based coordination of the many stakeholders; meeting the challenges of sustainable resourcing; and enhancing local employment and economic development outcomes for Indigenous communities.

- These evidence-based principles will assist policymakers and practitioners seeking to improve the delivery of local government services to remote Indigenous communities.

Context and Aims

Under the 'Closing the Gap' agenda of the Australian Government, there is an expressed commitment to improving the lifestyle and well-being of Indigenous people throughout Australia. Providing a range and standard of services to remote Indigenous communities that is equivalent to those provided in mainstream rural-remote communities is considered 'the equitable and right thing to do'. Policymakers have expressed an intention to 'normalise' the delivery of local government services to Indigenous communities. To this end, National Partnership Agreements entered into between the Australian and State/Territory Governments have underpinned an objective to transition the delivery of municipal services to remote Indigenous communities from the Commonwealth to local governments.

Progressing this policy of 'Closing the Gap' in service levels for Indigenous communities has become a substantive concern for most rural-remote and Indigenous councils in Western Australia, Queensland and the Northern Territory, where most remote Indigenous communities are located. It is broadly recognised that the current standard of infrastructure and service delivery in remote Indigenous communities is typically very poor. In addition, a feature of remote Indigenous communities across all jurisdictions is that they are under-funded on a per capita basis relative to the roles and responsibilities they perform and their circumstances. Although some steps have been taken to address this funding gap in Queensland in recent years (Limerick 2010), the problem is the subject of ongoing discussion in the Northern Territory and is a serious concern for Western Australian councils being asked to take more responsibility for delivering local government services to remote Indigenous communities. Furthermore, current demands and expectations on rural-remote and Indigenous councils by the other tiers of government and their own constituents are already unsustainable, and are expected to intensify if they are permitted to grow unchecked. The transitioning of responsibility for the delivery of municipal services to local governments adds to this burden and thereby exacerbates this issue.

To ensure these councils have the capacity to deliver an acceptable scope and standard of services in remote Indigenous communities in the long term, there needs to be a better fit between the funding and resources available and the expectations placed on them. Therefore, critical to attaining the desired 'Closing the Gap' outcomes is the need to formulate a sustainable model for service delivery. Amongst other things, this requires a realistic assessment of local government capacity to deliver services into these communities and the identification of a suitable sustainable funding model.

Since the Bilateral Agreement on Indigenous Affairs (2006 – 2010) between the Australian and Western Australian governments, the Western Australian Department of Local Government (WADLG) has been engaged in negotiations with the Australian Government about the transitioning of responsibility for local government service delivery in remote Indigenous communities from the Commonwealth to local governments. Under the original agreement the target date for implementing this 'mainstreaming' of local government service delivery was 30 June 2008. Nonetheless, by the end of 2010 only limited advancement had been made in the negotiations. A revised target date for commencing implementation is now July 2012.

Thus, early in 2011 the WADLG commissioned the Australian Centre of Excellence for Local Government (ACELG) to investigate funding and delivery model options to enable the negotiations for this transition to be progressed. The overall project involved three main phases:

- Phase 1* – Review and analyse models and approaches to local government service delivery in remote Indigenous communities in various jurisdictions across Australia and elsewhere.
- Phase 2* – Map the current responsibilities for the delivery of local government services in remote Indigenous communities in Western Australia.
- Phase 3* – Formulate conceptual funding and service delivery models and options for consideration in the Western Australian transition context.

Rural-remote and Indigenous Local Government is one of six program areas that form the focus of ACELG's activities. In March 2011, ACELG released *A Capacity Building Strategy for Rural-Remote and Indigenous Local Government* (Morris, 2011). This strategy was the culmination of an extensive research and consultation process. The stated aim of this strategy was to "identify key steps in building the capacity of small rural-remote and Indigenous councils across Australia – and especially in the north – to deliver adequate and appropriate local government services to their communities" (Morris, 2011, p.4). Through this capacity building strategy ACELG aims to provide an evidence base for improving policy-making and practice of these councils in all Australian jurisdictions.

The national strategy presented ten strategic priorities for building the capacity of these councils, one of which was local government service delivery to remote Indigenous communities. Thus, given the common interest in this issue with the WADLG and the broad relevance of this issue to jurisdictions across Australia, ACELG partnered the WADLG on this project by funding the Phase 1 research.

The primary aim of the first phase of this research was to identify key principles and success factors underpinning leading practices and innovative solutions to addressing the challenges of funding and delivering local government services to remote Indigenous communities. It is this first phase of the project that forms the focus of this paper.

Method

This research principally used a case study approach combining desktop research with telephone interviews with selected policymakers and practitioners. The research was undertaken in three main stages. The first stage involved a comprehensive review of recent academic and policy literature on remote service delivery to provide an important context in which to frame the case study analyses. Then in the second stage, six case studies were selected in consultation with key stakeholders in various Australian jurisdictions for in-depth investigation. The case studies were chosen for their potential to yield valuable information that could be used to design future funding and local government service delivery model options. The final stage involved the dissemination of a draft working paper to a group of key stakeholders knowledgeable about the issue under investigation for comment and feedback. This phase of the study aimed to check the accuracy of the content of the case studies and to validate the completeness and practicalities of the guiding principles formulated.

This research process aimed to elicit information about key features of effective and sustainable approaches to service delivery in remote Indigenous communities. Amongst the key issues examined in the case studies were legislative and land tenure challenges, modes of service delivery, funding approaches and options, benchmarking service delivery standards, governance issues, joint planning

and coordination of service delivery between tiers of government, opportunities for private sector involvement and contribution, and capacity building for better service delivery.

The key learnings on local government service delivery to remote Indigenous communities were drawn out from each case study. The knowledge gained from the case studies and the literature review was then synthesised to identify the key considerations for service delivery model design. Exploring the various dimensions of these key considerations enabled the formulation of a set of guiding principles that need to be taken into account in the design of any model for funding and delivering local government services to remote Indigenous communities.

Findings

The research involved the following case studies of service delivery in remote Indigenous communities:

- Northern Territory (NT) Shires established in 2008, with their regionalisation of the delivery of services to remote Indigenous communities;
- Alice Springs Town Camps that have historically been serviced by an Indigenous organisation but with the increased involvement of neighbouring mainstream local government in recent years;
- Groote Eylandt Regional Partnership Agreement (RPA), that provides a coordination mechanism that integrates the efforts of various levels of government as well as an Indigenous Traditional Owner organisation and a mining company;
- Shire of Ngaanyatjarraku, which exemplifies a local government that is working in concert with local and regional community organisations to deliver a range of local government services to remote Indigenous communities;
- Queensland's Indigenous Councils, which have evolved into functional Indigenous local governments working to develop a sustainable revenue base founded on a government subsidy model that accurately assesses expenditure needs complemented by greater efforts to raise own source revenue, including revenue from community residents; and
- Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, which have been the subject of recent reform proposals to introduce a new model for remote service delivery, as well as program funding changes that have regionalised the current Commonwealth-funded municipal service delivery.

Appendix A contains a tabular summary of each case study highlighting the key dimensions of each model in terms of context, service delivery, funding model, governance and overall learnings.

In seeking to draw out common themes from the case studies, it is important to recognise that there are wide-ranging differences between jurisdictions and regions in terms of demography, geography, land tenure, legislative environment, and the historical and cultural makeup of Indigenous populations. In Indigenous affairs, no model is easily transferable from one context to another. The design of a model for a particular context requires consideration of the unique characteristics of that context. Nevertheless, understanding what has and has not worked in different locations provides an opportunity to tease out some general principles relevant to the design or further development of models for service delivery to remote Indigenous communities in any context.

Regionalised vs community-based service delivery

The question of the appropriate level for the governance and delivery of services to Indigenous communities has been controversial in Indigenous policy. The Desert Knowledge Cooperative Research Centre (DKCRC) pointed out that Aboriginal affairs has been characterised by “the reshuffling and fragmentation of functions to different levels of the system, with little analysis about which functions operate most effectively at which level, and with little input from Aboriginal people attempting to work with the system” (Moran, Anda et al. 2009, p.31).

In the self-determination policy era of the 1970s through to the 1990s, the predominant service delivery interface for remote Indigenous communities was local community organisations such as community councils, legal services, community-controlled health services, land councils, resource agencies and a host of small corporations for a diverse range of social and cultural purposes. This era spawned several thousand of these organisations across Aboriginal Australia. In the past decade, however, the pendulum has swung towards a government preference for regionalised service delivery. This shift was seemingly born out of a loss of faith in the capacity of smaller community-based organisations to manage the funding and delivery of quality services, along with a desire to 'normalise' the way in which services are delivered to Indigenous Australians (Sullivan 2011). Examples of this shift illustrated by the case studies include the creation of the NT regional Shires to take over from community councils and incorporated associations and the Australian Government's redirection of municipal services funding in the APY Lands from community councils to a regional service provider.

The Commonwealth Government's Office of Evaluation and Audit (2009, pp.106-108) undertook case studies of the NT Shires and the APY Lands the experiences to explore the benefits and limitations of the regional service provision model for Commonwealth programs such as CDEP and MUNS. Perceived benefits of regionalisation included economies of scale, ability to attract more service providers, better capacity to attract skilled staff, streamlined reporting, greater service continuity across a region and distance from community politics. Perceived limitations included the undermining of local responsibility and community ownership, risk of service delivery problems affecting several locations, less tailoring of services to community needs, drawing social capital away from communities and an increased focus on core services, including possible loss of some services.

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

Experience has shown that the appropriate scale for optimal delivery of a service depends on the particular service. Two aspects of the service are important. Firstly, the appropriate scale of delivery depends on whether the effectiveness of delivery is dependent on community-level inputs of users of the service. For example, for services of a social nature (such as family support or community development), responsiveness to local needs is crucial for delivery to be more effective. In contrast, for services requiring a minimum technical standard of delivery, regular community input is less important and so the service might be delivered regionally. For example, waste collection services, rubbish tip management and airport maintenance are not so dependent on local decision-making or input. Thus, a regional model may attract better technical capacity. The second aspect of the service that determines its optimal scale for delivery is whether its delivery involves technical skills that are unlikely to be available at the community level. For example, the introduction of the NT shires model saw financial management and information technology functions of councils shifted out of local communities to regional centres such as Darwin, where skilled staff are more readily available.

Even for local government services of a technical nature, however, it should not be assumed that a community-level provider will never have the requisite capacity to successfully deliver the service.

Determining the optimal level of service delivery requires an assessment of not only the technical requirements of the service, but also the degree of capacity within the community where the service will be delivered. The case study of the Queensland Indigenous Councils demonstrates that community councils operating in small Indigenous communities can develop the capacity over time to deliver local government services of a comparable standard to mainstream communities. Case study research on the Yarrabah Aboriginal Shire Council found that the Yarrabah community had worked assiduously over two decades to build local capacity to provide the full range of local government services using Indigenous managers and staff to a standard comparable to any rural town (Limerick 2009).

The DKCRC points out that Governments have been too quick to dismiss the important contributions that local Indigenous organisations can play in service delivery: “Government is clearly in need of the positive attributes which the Indigenous sector shares with other third-sector organisations, such as local wisdom, community credibility, expertise acquired through practice, and not least the willingness of its staff to work for less material reward and under more difficult conditions than public sector staff” (Fisher, Elvin et al. 2011, p.97). While nepotism, factionalism and financial mismanagement are often the dominant narratives in public discourse about Indigenous community organisations, Sullivan (2011, p.11) argues that “the Indigenous sector functions well in the context of the challenging needs of its member/client base and its relative lack of material resources.” Regionalised and community-based service delivery models need not be mutually exclusive. Westbury and Sanders (2000, p.27) acknowledge that local community councils lack the capacity to run a wide range of services, but that they should instead be “complemented by, and linked into, larger specific-purpose regional service agencies (not merely replaced).” The current case studies illustrate that regionalised service delivery models can incorporate delivery mechanisms at the community level. Service delivery to remote communities in the Shire of Ngaanyatjarraku is effectively a shared responsibility between the Shire operating at the regional level and the community councils in each community. For some services, funding is provided to the Shire, which then subcontracts local community organisations to deliver the service. There are also instances in the NT where the new regional Shires have subcontracted the delivery of some services back to the community councils that previously delivered them.

As an alternative to subcontracting to local organisations, regional service providers can also ensure that they have a strong service delivery presence in client communities by employing local operational managers and service delivery staff rather than basing service delivery staff in regional centres. For example, a key aspect of the NT reforms was converting the previous community council CEO positions into the new Shire Service Manager positions in each community to manage local Shire service delivery. This ensured a local service delivery presence was maintained despite the regionalisation of responsibility. Systems that combine regional and community-based modes of service delivery can harness the benefits of regionalisation such as economies of scale, greater technical capacity and insulation from local politics, while maintaining the responsiveness to local communities and supporting ongoing development of economic and governance capacity at the local level.

Principles

- *A shift to regionalised delivery of local government services involves both potential benefits and limitations and so a realistic assessment of these is required before assuming that a regionalised approach will achieve better service outcomes.*
- *The appropriateness of regionalised delivery depends on firstly, whether service quality depends on community-level input of users and secondly, whether the technical skills needed to deliver the service are available at the community level.*
- *Following from the last point, regionalised delivery is more likely to be appropriate for core local government services such as roads and waste management, and less likely to be effective for social or community development related services.*
- *The capacity of community-based organisations to deliver effective local services should not be dismissed in the design of funding and service delivery models.*
- *Models that combine regionalised delivery with community-based delivery may be optimal in harnessing the benefits of both approaches.*

Effect of regionalisation on community governance

The case studies of the NT local government reforms and the regionalisation of municipal services in the APY Lands demonstrate that the most challenging issue to manage in regionalising service delivery is the impact on Indigenous community governance. This issue arises because in remote areas of SA, WA and NT, Commonwealth Government funding to community councils and other community organisations for local government services has historically underwritten a broader community governance and administration function within Indigenous communities. The portion of the Commonwealth's Municipal Services (MUNS) and CDEP grants that is provided for administration purposes has given community councils the ability to employ staff and run a community office that has performed a role much broader than the services for which these grants are primarily provided. Key features of this function typically involve:

- a host of community management activities such as banking, postal services, emergency loans, internet access, organising travel, organising funerals and other miscellaneous tasks, that Thurtell (2007, p.43) estimated to account for more than half the time of Municipal Services Officers employed in community offices in the APY Lands;
- supporting the functioning of the community council, as the elected representative body to advocate the community's interests; and
- providing the point of contact for Government agencies and other organisations seeking to engage with the community.

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

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

In practical terms, the demise of community councils is not only a loss to residents of Indigenous communities who have depended on them, but also to governments. The demise of the Aboriginal and Torres Strait Islander Commission as an Indigenous representative structure with a network of elected regional councils left a vacuum for government agencies wanting to consult and negotiate with Indigenous Australians. Governments now rely on community councils and other local Indigenous organisations to gain input to ensure the success of their policies and programs.

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

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

In the NT, the government instead sought to replace community councils with local boards established by the Shires. However, the NT experience has shown that proper resourcing and training for these boards is critical, and that the board might need to have a broader role than just advising on local government services if it is to continue to perform the general community governance role of the former community council.

The NT experience should also sound a caution against trying to address the issues of maintaining community governance capacity and ensuring community input into decision-making about local government services purely through a structural mechanism such as the establishment of a local board. As the DKCRC has found: “Our analysis is that there are certainly two central components to

governance: structures and processes, but it is critical that these are considered in the right sequence, with appropriate processes taking precedence over structures” (Fisher, Elvin et al. 2011, p.77). Thus, a change to a regionalised structure needs to support not just a community governance structure, but more importantly, a community governance process. For example, a position funded in an Indigenous community to support a local board ought to have a broader role of facilitating the board’s engagement of the community in the processes of community governance, whether this be by convening community meetings, publishing a newsletter, conducting surveys on key issues or other engagement strategies. Appropriate forms of community governance will differ for every community. This is why the support provided needs to focus on the capacity to appropriately engage people in governance processes, rather than simply maintaining a structure in the form of a board that meets occasionally.

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

Principles

- *A critical risk in regionalising service provision in the current environment is undermining important community governance and administration functions of community councils, which can only be mitigated by:
 - (a) *recognising this function as an output independently of other services; and*
 - (b) *making provision for sustainable resourcing for this function, with a focus on how to sustain appropriate processes of community governance and not seeking a purely structural solution such as establishment of local advisory boards**
- *As with any major reform, full engagement with Indigenous communities during the design of the model and ongoing negotiation and communication during its implementation is a prerequisite for success.*

Service delivery benchmarking

A notable feature of several case studies is the growing emphasis on benchmarking the standard of services delivered to Indigenous communities against national standards or at least minimum standards achieved in non-Indigenous communities of a comparable size and location. This approach is consistent with the fact that one of the three National Investment Principles in Remote Locations under COAG’s National Indigenous Reform Agreement is that remote Indigenous communities are “entitled to standards of services and infrastructure broadly comparable with that in non-Indigenous communities of similar size, location and need elsewhere in Australia” (Council of Australian Governments 2008, p.E-79).

This principle was evident in several case studies. For instance, the Local Implementation Plans (LIPs) in Remote Service Delivery (RSD) communities include baseline mapping of current services and service gaps using a methodology of assessing Indigenous community infrastructure and services against “non-Indigenous comparator communities”. In Queensland, the methodology for determining State Government Financial Aid grants funding to Indigenous Councils includes an

assessment of the recurrent expenditure required to provide municipal services at an average standard no less than that enjoyed by the wider Queensland community.

A challenging issue for all governments is the appropriate standard of service delivery for smaller Indigenous settlements such as outstations or homelands. Since the 1980s, the Commonwealth Government has actively supported outstations by providing funding for municipal services. COAG's 2008 National Investment Principles, however, now include a priority for providing services and infrastructure to "larger and more economically sustainable communities" (Council of Australian Governments 2008, p.E-79). This suggests a shift in policy whereby the Commonwealth Government is no longer willing to fund the same standards of services in outstation or homeland settlements as in the past. The Shire of Ngaanyatjarraku case study is notable in that this Indigenous-run local government has implemented its own methodology for determining the extent of services that will be delivered in different size communities.

The research therefore gives rise to the following additional principle:

Principles

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

Coordination of funding and service delivery

A recurring theme in every report or review on service delivery in remote Indigenous communities is the challenge involved in coordinating the efforts of the myriad parties involved in this complex domain. The parties involve the various tiers of government, the non-government organisation (NGO) sector (Indigenous and non-Indigenous) and increasingly even the private sector in the form of resource companies seeking to satisfy corporate social responsibilities or commitments to Indigenous traditional owners.

There have been a plethora of new models or approaches to achieving better service delivery coordination in the past decade, some of which are featured in the case studies. These include Queensland's community 'negotiation table' approach leading to Local Indigenous Partnership Agreements (LIPAs), the LIPs being developed in RSD communities through the 'single government interfaces' (generally comprised of a Government Business Manager employed by the Commonwealth Government plus a Regional Operations Centre that combines Commonwealth and State agency staff), and the Groote Eylandt RPA.

Despite these efforts, it is notable that across multiple sites in remote Australia, the DKCRC reported that it "found little evidence to suggest that 'whole of government' arrangements are working". This project's case study of the Groote Eylandt RPA, however, demonstrates that the RPA process can result in an agreement that aligns the efforts of a range of stakeholders towards meeting identified community priorities. Most significantly, this RPA was able to leverage commitments from not only government agencies, but also a mining company and the local traditional owner organisation. The LIP approach also appears to hold promise for better coordination of planning for remote community services. The six monthly progress report by the Coordinator General for Remote Indigenous Services (2011) has a cautiously optimistic tone about the potential of the new coordination arrangements and the LIPs to generate real improvements in remote service delivery.

A frequently raised concern about government coordination is that remote community services' funding is provided through fragmented program arrangements and short-term grant processes that carry a high burden of reporting and compliance. To overcome this problem pooled funding models have been commonly suggested, whereby all government funding streams to a community for related purposes are aggregated into a single agreement with a single set of performance indicators and reporting requirements. Faced with obdurate bureaucrats unwilling to reform established program accountabilities, these proposals have rarely been realised in practice, but they continue to be put forward by optimistic advocates of reform. In the APY Lands, the Thurtell report recommended the pooling of all funds currently provided for local government services by State and Commonwealth agencies into a 3-year funding agreement. The Coordinator General for Remote Indigenous Services (2009, p.103) also recommended that the problem of red tape could be addressed through "a whole of community head contract which aggregates funding by location rather than program" (2011, p.27). This sensible proposal has not yet come to fruition and the Coordinator General expressed frustration about the lack of government response.

Principles

- *An effective mechanism for planning and coordinating the efforts of various parties in delivering local government services is crucial, and models such as Regional Partnership Agreements may be valuable in leveraging involvement from non-Government parties such as resource companies*
- *Pooled funding models offer the potential to improve coordination of government inputs, clarify the outputs and outcomes being purchased by government funding, reduce the compliance burden, and facilitate greater flexibility in planning and delivering services that are responsive to needs.*

Resourcing challenges

High levels of need, high cost of services and limited resources are challenges faced by all service providers operating in remote Indigenous communities and these issues featured in the case studies. The difficulties for service delivery arise both from the manner in which funding is provided as well as the overall adequacy of the funding to meet the service needs. The problem of the way funding is provided not only includes the lack of coordination, as discussed above, but also the lack of long-term funding certainty. Funds for core local government services in Indigenous communities are often provided through ad hoc grant processes, requiring annual submissions and acquittals that create administrative burden and prevent long-term planning and service capacity development. Local government service delivery in many locations has relied on programs such as CDEP, which has recently been subject to significant reforms by the Australian Government. In the NT, Shires have had their funding boosted in recent years by the Northern Territory Emergency Response, but much of this funding will be discontinued in July 2012. The reliance on finite program funding creates a challenge for organisations seeking to entrench sustainable service models. Local governments that will be taking on delivery of services to remote Indigenous communities in WA have made it clear that they expect that there will be long-term funding certainty underpinning this transition, in the form of 'generational funding'.

While a lack of funding certainty is a challenge, the adequacy of the overall funds available to deliver services to a minimum standard is perhaps a more significant problem. The model for the delivery of local government services in remote Indigenous communities has evolved in an ad hoc manner with local organisations cobbling together various State and Commonwealth funding sources to attempt to deliver an adequate level of services. On most measures, the municipal and essential

services audits frequently conducted in remote communities over the past decade demonstrate that this approach has failed. Governments may be quick to blame the local community organisations that have provided these services, but the question has to be asked whether the resources were ever adequate for the needs. If the answer is no, then simply transferring the responsibility to regional providers (such as local governments in the WA context) will not solve the problem, but shift it to another domain. The effort to undertake baseline mapping of services, comparison with other non-Indigenous towns and costing of the total revenue requirements and the gap in current funding is a crucial exercise in addressing this issue.

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

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

The case studies revealed that efforts to incorporate a greater degree of 'user pays' are features of recent reforms to local government service delivery. As governments shift to a policy of 'normalisation' of service delivery to Indigenous communities (Sullivan 2011), there is an increasing expectation that residents of these communities will contribute to the cost of services they receive in the same way as residents in mainstream locations. This 'user pays' principle is also linked to the notions of reciprocal obligation and mutual responsibility that have become prominent in Indigenous policy as a counter to concerns about welfare dependency. The most significant example is the reforms to public housing that have sought to bring tenancy arrangements in remote Indigenous communities into line with practices elsewhere. Under these arrangements, the housing authority pays rates (or in the case of unrateable Indigenous land, a 'rate equivalent) and service charges to the local government. Then the tenants pay rent to the housing authority which, in theory, covers the rate equivalent and user charges paid to the local government for services to the property. The extent to which this arrangement results in the user (the resident) paying for local government services depends on the success of the housing authority in collecting rent from the tenants. This has been a perennial challenge in remote Indigenous communities.

The case studies reveal some interesting differences in the calculation of rate equivalents and service charges in different jurisdictions. In the NT, the Government stipulated in 2008 the payment of a rate equivalent of \$600 per property, and a waste management charge of \$150 per bin,¹ while in Queensland, the rate equivalent paid by the State housing authority for properties in remote Indigenous communities is set at \$2000 per property, which seems broadly consistent with rates paid in non-Indigenous remote towns. The Queensland Government has also been encouraging remote Indigenous local governments to explore additional options for raising 'user pays' revenue, such as levying service charges on government facilities such as schools, hospitals and police stations

¹ These amounts appear to have been raised in subsequent years due to indexation.

located on Indigenous land, or by using the unique provision under Queensland local government legislation that enables levying of *per capita* (rather than property-based) fees on residents of remote Indigenous communities.

Principles

- *Long-term certainty of funding for services is a critical component of any model.*
- *Poor service delivery outcomes in remote communities to date point to the likelihood that it is not just the model of service delivery that has been deficient but the adequacy of the overall funding available. It needs to be recognised that a simple reallocation of existing funding streams will not be adequate to guarantee minimum required levels of local government services. Improved methodologies for calculating expenditure needs and gaps in current funding will be critical to scope the total funding requirements for a minimum level of local government services in Indigenous communities.*
- *Opportunities for local governments to raise additional 'user pays' revenue need to be included in funding models, including the scope for 'rate equivalents' on public housing, service charges on government agency occupiers of community land, and per capita fees as an alternative to property-based rates.*

Impacts on local employment and economic development

A final issue that is underlined by the case studies is the need to consider potential impacts on Indigenous community employment and economic development arising from reforms to local government service delivery. In the absence of a robust private sector, remote Indigenous communities rely heavily on the public sector for employment opportunities. For example, a Charles Darwin University report indicated that in the Daguragu community in the NT, average individual annual income was reported in 2006 at \$11,492 per resident. In contrast, the Daguragu Community Government Council's employee costs in 2006-07 averaged \$3,183 per resident which suggests that 28% of all individual income in the area was received as wages and salaries from the local government (Michel, Gerritsen et al. 2010, p.10). Census data further showed that 47.3% of all persons employed in this community were employed by the community council.

This reliance on community councils for employment indicates the potential impact on local employment of defunding community councils and redirecting funding to regional providers, such as the new NT Shires. The NT Shire case study indicated that even though efforts were made to manage this transition through the Shires taking over employment of the former community council staff,² some community concerns have still been raised about increased use of external contractors. The case study, however, found that overall local government employment has increased in the NT. Although some of these are non-Indigenous managers now employed in regional centres, an apparent positive outcome has been that the Shires have had a greater human resource management and administrative capacity than the former community councils to recruit and retain people in jobs in the communities. Another measure to enhance local employment is that the Local Government Association of NT (LGANT) has sought changes to the local government accounting regulations to enable the Shires' tender processes to factor in steps to ensure employment of more local Indigenous people (Council of Territory Cooperation 2010, p.33). LGANT is also assisting Shires

² In the Queensland local government amalgamations, the State Government imposed a 3 year moratorium on any forced redundancies to ensure that existing local government staff transitioned to the newly amalgamated councils and there were no short term job losses from the process.

with workforce planning, which should further boost their capacity to recruit, train and retain local Indigenous staff.

Following the regionalisation of MUNS funding in the APY Lands, the regional provider, Regional Anangu Services, reported an increase in its proportion of employees drawn from the APY communities (Regional Anangu Services Aboriginal Corporation 2010). This suggests that it should be possible for a regional provider to boost local Indigenous employment if this is a business priority. A potential benefit of service delivery by a regional organisation is the greater capacity to provide better direction, support and training to community-based staff.

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

Principles

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

Conclusions

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

Recommendations for Policy and Practice

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

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Appendix A – Summary of the case studies

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Northern Territory Shires	<ul style="list-style-type: none"> Historically, local government services in the NT were delivered by local community councils. The NT local government reforms (2008) amalgamated 51 community government councils, the Jabiru Town council and Tennant Creek Shire Council into 8 new Shire Councils. Shires cover large regions with central administrations in regional centres or larger towns. They have a combined population of about 50,000 people of whom 85% are Indigenous. There are 15 remote Indigenous communities in the NT selected for the National Partnership Agreement on Remote Service Delivery (RSD NPA). The NT Government added another 6 communities as 'Growth Towns' or sites where Local Implementation Plans (LIPs) will also be developed. 	<ul style="list-style-type: none"> Each new Shire is required to develop a Business Plan that includes delivery of a set of 'core services' and identifies its plans to deliver 'commercial services', 'agency services' (delivered for government) and 'other services' (delivered from own source revenue). Many former community council local government service delivery staff were transitioned across to the Shires' workforces (including CEOs who became community Shire Services Managers). Some Shires have subcontracted services back to community-based organisations. Concerns have been raised about increased use of outside contractors in Indigenous communities. A positive outcome has been a 37% increase in local government employment, partly because Shires have better capacity to recruit and retain staff. About 75% of staff are Indigenous. The NT Government appointed a Coordinator General for Remote Services (CGRS) in the 21 'Growth Towns' to coordinate planning of services in these locations. The driving mechanism for these reforms is the development of LIPs for each target community. 	<ul style="list-style-type: none"> The NT Shires receive almost all of their revenue from either government grants or fees for delivering government funded programs and services. The Shires' grants revenue is drawn from a wide array of NT and Commonwealth government sources. Most are specific purpose grants with little untied funding. This creates significant administrative complexity for Shires administering a large number of grants with different reporting and acquittal requirements and different funding periods. Concerns have been repeatedly raised about the Shires' lack of resources to undertake their full range of functions, especially a lack of road funding which is a high priority under the LIPs. The Commonwealth has been paying a rate equivalent on the public housing to date in line with its 5-year leases over remote Indigenous communities under the NTER. While this is an important new income stream for Shires, it does not enable full cost recovery for service delivery. 	<ul style="list-style-type: none"> The locally elected community councils were replaced with Shire Councils of up to 12 elected councillors covering broad regions and multiple communities, sometimes including non-Indigenous towns. Local boards were introduced to ensure each Indigenous community continued to have input into decision-making about local government services. However, in practice, their effectiveness has been variable and the NT is now investing in further support and capacity-building. The use of LIPs is an additional measure to improve both service delivery and coordination between the different levels of government in the 21 selected 'Growth Towns'. 	<ul style="list-style-type: none"> The move to regionalised service delivery risks undermining community governance capacity and creating a sense that local communities have lost control. It is crucial that reforms to regionalise service delivery provide meaningful local participation in governance of services through mechanisms such as local boards and robust community engagement practices. There is no quick fix in improving the delivery of services or standards of governance and financial management in remote communities. However, the Shires seem to be slowly building the local capacity for sustainable improvements in the years to come. While fundamental issues of under-resourcing have not been resolved, structural reforms will not achieve sustainable improvements in local government service delivery.

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Alice Springs Town Camps	<ul style="list-style-type: none"> • The Alice Springs ‘town camps’ comprise 1600 to 2000 residents across 18 Aboriginal community living areas. Each comprises a largely distinct Indigenous group with 2 to 22 houses. • While the town camps are proximate to Alice Springs, residents are often culturally and linguistically isolated from the services available in town. • Tangentyere Council, the Aboriginal organisation established for town camp residents, was held up as a model for Aboriginal self-determination in the 1980s and 1990s. • The Commonwealth Government negotiated long-term head leases over all of the Town Camps. This enables it to issue subleases to the NT Government and Alice Springs Town Council (ASTC) as required for service delivery purposes. 	<ul style="list-style-type: none"> • In the 1980s and 1990s, Tangentyere Council received Commonwealth funding for major housing and physical infrastructure services (water, sewerage and sealed roads) upgrades and the improvement of town camp living conditions. • Tangentyere Council delivered municipal services and numerous social services to the camps with this funding. • Tangentyere and the ASTC entered a Memorandum of Understanding in 2000 to build greater cooperative links, including cooperation on delivery of some municipal services • The Commonwealth Government implemented the Alice Springs Transformation Plan (ASTP) in 2007. This included a commitment of \$150 million over 5 years to upgrade housing (including 85 new houses) and essential infrastructure to improve social support services and to reduce homelessness. • Discussions between the parties under the ASTP resulted in the direct provision of some municipal services to the town camps by the ASTC, including rubbish collection, dog control and a bus service. 	<ul style="list-style-type: none"> • Funding is currently from grants managed by the NT Government under its Municipal and Essential Services Program and comprises \$19.1 million provided under the Commonwealth Government’s Municipal Services (MUNS) funding allocation. • Funding goes directly to Tangentyere Council so it is able to choose to deliver local government services in-house or contract to the ASTC or another provider. • The limited local government services (waste collection, animal control and a bus service) provided by the ASTC to the town camps under the ASTP are purchased by Tangentyere on a fee-for-service basis. • Once the housing and infrastructure upgrades are completed under the ATSP, rent is expected to be regularly collected from public housing to subsidise the cost of municipal services. 	<ul style="list-style-type: none"> • Decision-making about local government services provided to town camps by Tangentyere Council is the responsibility of the organisation’s Executive Council. This is comprised of each elected President of the 18 Town Camps, a member of the Women’s committee and a member of the ‘4 Corners’ committee (traditional law). • Oversight of municipal services remains the responsibility of the Tangentyere Executive Council rather than the ASTC. Tangentyere purchases the services from ASTC according to its contract specifications, rather than ASTC determining the way the services will be delivered • The ASTP has provided the opportunity for greater collaboration between the Commonwealth and NT government, and the ASTC and the Tangentyere Council. All are now involved in the planning and delivery of ‘normalised’ municipal services under the Plan. 	<ul style="list-style-type: none"> • This model evolved from historical circumstances as town camp residents sought to fill existing gaps in service delivery and build locally-controlled organisations to meet their needs. • Tangentyere is now achieving a higher standard of service delivery by purchasing selected municipal services from ASTC under a hybrid model where it retains overall governance and management for municipal services without the burden of delivering every service. • The limitations of this model include: <ul style="list-style-type: none"> • often disjointed and ad hoc planning of municipal service delivery to town camps; • concerns about service outcomes. • inconsistent funding; and • fluctuating relationships between the ASTC and NT and Commonwealth government agencies. • It is too early to see the results of the ASTP and if the level of collaboration needed to make real differences to municipal services delivery to town camps can be achieved.

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Groote Eylandt Regional Partnership Agreement	<ul style="list-style-type: none"> • Groote Eylandt, together with a few smaller satellite islands, forms the Anindilyakwa Ward of East Arnhem Shire. The East Arnhem Shire Council (EASC) was established during the 2008 NT local government reforms. • Groote Eylandt comprises three Indigenous communities - Angurugu, Umbakumba, and Milyakburra - with an estimated population of 1,542 people of whom 42.6% are Indigenous. • The Groote Eylandt and Bickerton Island Regional Partnership Agreement (RPA) Stage Two was signed in 2009 by the Commonwealth and NT governments, EASC, the Anindilyakwa Land Council (ALC) and Groote Eylandt Mining Company (GEMCO). • The RPA aims to achieve measurable improvements for people living in the Anindilyakwa region through the coordination of services and initiatives in response to locally identified needs. 	<ul style="list-style-type: none"> • In 2008 the EASC assumed responsibility for local government service delivery from the former community councils in the three Groote Eylandt Indigenous communities. • The EASC has established service delivery centres in each of these communities and has a central administration office in Nhulunbuy. • The makeup of the service delivery centres varies depending on identified needs, but as a minimum includes a Shire Services Manager, a Customer Service Officer, a Community Liaison Officer and operations staff. • Under the RPA each of the parties made a range of service delivery commitments to address the identified priorities of the Groote Eylandt communities. • Local Implementation Plans (LIPs) were developed for the two main Groote Eylandt communities of Angurugu and Umbakumba. 	<ul style="list-style-type: none"> • The EASC is funded to deliver the standard range of local government services to the Groote Eylandt Indigenous communities. • The Groote Eylandt RPA is significant because it contains a total financial commitment in excess of \$80 million in contributions from the Commonwealth and NT Governments, EASC, GEMCO and the ALC. • While the majority of the commitments relate to non-local government services, the RPA and LIPs also include commitments for local government infrastructure and services. • Significantly, the RPA and LIP processes have also leveraged commitments for service delivery from non-government parties, including: <ul style="list-style-type: none"> • GEMCO - financial and in-kind commitments to improve local government infrastructure and services and community capacity-building. • ALC - over \$14 million committed from royalty equivalent income to LIP project initiatives. 	<ul style="list-style-type: none"> • The RPA establishes a range of governing structures to support the implementation of RPA commitments including: <ul style="list-style-type: none"> • A Regional Partnership Committee to provide strategic leadership and oversight of the RPA implementation; • Local Reference Groups for the Angurugu and Umbakumba communities to advise on the LIPs; • Government Business Managers for liaison between the community and government and for service coordination on the ground; • Indigenous Engagement Officers to support the community in its negotiations with government; and • A Regional Operations Centre (ROC) as a whole-of-government, regionally based operation centre located in Darwin. • A foundational principle for the RPA is recognition of the need to build capacity and strengthen governance. 	<ul style="list-style-type: none"> • The RPA approach is designed to provide a mechanism for establishing a uniform government investment strategy across a region with respect to Indigenous affairs. • It is intended to provide a coordinated response to priorities identified for the region, thus eliminating duplication or gaps in service delivery. • A key RPA model feature is that it enables the integration of planning and service delivery across both the various levels of government, and with the private sector. • The Groote Eylandt case study demonstrates that in practice the RPA and LIP approach can be employed in a complementary way. • The Commonwealth Government has commissioned an independent evaluation of the Groote Eylandt RPA to be completed in 2011.

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Shire of Ngaanyatjarraku	<ul style="list-style-type: none"> • The Shire of Ngaanyatjarraku was formed in 1993 and was originally part of the Shire of Wiluna. • It is arguably the most isolated local government in WA and is the only almost entirely Indigenous local government. • There are about 1,838 people living in the Shire of whom about 89% are Ngaanyatjarra people (89%). • The Shire covers an area of 159,948 square kilometres and has 10 Indigenous communities within its boundaries, all classified as “very remote”. • The Shire has delivered local government services to all of its remote Aboriginal communities since its formation. 	<ul style="list-style-type: none"> • The Shire of Ngaanyatjarraku has responsibility for local government service delivery to the Aboriginal communities within its boundaries. • Historically, the Shire of Wiluna largely neglected the eastern communities delivering very limited local government services even though this was where the bulk of the population lived. • The primary responsibility for the delivery of essential and municipal services stood with a number of substantial community organisations that had developed over a long period of time and acquired funding through the Commonwealth Government. • Over the years the community councils have developed and been responsible for maintaining a wide range of community assets. • The approach of the Shire is to provide a different level of service to different categories of remote Aboriginal communities based on population. 	<ul style="list-style-type: none"> • The Shire funds local government service provision to its communities through traditional sources – rates, fees and FAGs. • Given the non-rateability of its land, the only rate revenue received is from mining tenements and ex-gratia rates from Indigenous communities. • The Shire plans to introduce a new rating model for public housing in the coming financial year. It proposes to issue rates notices to the Ngaanyatjarra Council for public housing properties, similar to the practice in other WA locations where Homeswest pays Council rates and recoups this expenditure through rent adjustments and grants sought from the Commonwealth Government. • Under this new rating model, revenue raised is expected to increase from \$52,000 a year under the ex gratia rates arrangement to about \$240,000 a year, which will make a substantial contribution towards service delivery. 	<ul style="list-style-type: none"> • Governance has progressively become a shared responsibility between the community councils and local government in the Shire. • Each Aboriginal community has its own community council for the governance of its own community. • Each community council is represented on the umbrella organisation, the Ngaanyatjarra Council, which plays a lead role in setting priorities and strategic planning. • The Shire works closely with the Ngaanyatjarra Council. • The Shire now has primacy in the delivery of local government services and the Ngaanyatjarra Council and the individual community councils take the responsibility for things to do with culture, land representation and community enterprises. 	<ul style="list-style-type: none"> • The key issue in local government service delivery in remote Indigenous communities is to only deliver what you can afford. The message for other councils is that funding is unlikely to increase so councils must make provision within their budgets to provide local government services to these communities. • Maintaining a balance between meeting administrative requirements for legislative compliance and reporting and the delivery of services is a constant struggle. • The proposed collection of rates for public housing will provide a test case for the other 21 WA local governments affected by “mainstreaming” local government service delivery to remote Indigenous communities under the Bilateral Agreement.

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Queensland Indigenous Councils	<ul style="list-style-type: none"> • Queensland has 16 Indigenous councils that have local government authority status under the <i>Local Government Act 2009</i>. • Two of these Councils - Northern Peninsula Area Regional Council and the Torres Strait Island Regional Council - are Regional Councils that were created following the 2008 amalgamation of several community-based Indigenous councils. • The remaining 14 Indigenous Councils are Shire Councils based around discrete Indigenous communities that vary in size from 250 residents to 3,000 residents. • Given the inalienable, non-rateable land tenure, there is a heavy reliance on grant funding for delivery of local government services. 	<ul style="list-style-type: none"> • Service delivery functions of Indigenous local governments include all those of mainstream local governments as well as other social programs for which no other provider is available in remote communities. • Although the State and Commonwealth Governments provide essential services infrastructure (e.g. water, sewerage and waste management) for remote communities, the Indigenous councils are responsible for its operation and maintenance. • Even though Indigenous councils have opportunities to collaborate with non-Indigenous shire councils for service delivery purposes, this is not common practice. • A very large proportion of the Indigenous Council workforces are Indigenous, although there is still a high reliance on non-Indigenous outsiders in key professional and management roles. 	<ul style="list-style-type: none"> • The main funding sources are: <ul style="list-style-type: none"> • Financial Assistance Grants; • State Government Financial Aid Program (SGFA); • Environmental Health Worker funding; and • MUNS funding (for some councils only). • The revised SGFA formula (2008) identifies the recurrent expenditure necessary to provide municipal services at an average standard and then subtracts all revenue sources including other municipal service grants and own source revenue. • Under Queensland law, Indigenous councils can also raise revenue through levies on a per capita basis (sometimes called a 'poll tax'). • Under new public housing arrangements, housing authorities commit to paying a 'rate equivalent' for local government services of \$2000 per year per dwelling. • As the trustees of the land, Indigenous councils are also eligible for a lease payment of \$800 per lot per year. • The Queensland Government has been encouraging Indigenous councils to explore additional revenue opportunities such as levying charges for utility services such as water, sewerage and waste collection. 	<ul style="list-style-type: none"> • Indigenous councils are elected by residents of the local government area every 4 years like other local governments in Queensland. • Aboriginal Shire Councils comprise 5 councillors, including a Mayor. The Regional Councils are larger due to guaranteed divisional representation of each of their constituent communities. • Funding and program complexity and lack of government coordination of service delivery have been a perennial challenge. • The Queensland Government has been trialling place-based coordinated planning and partnerships with Indigenous communities for many years. • For example, 'negotiation tables' are held periodically in each community to develop agreed 'community action plans' documenting the service delivery commitments of all stakeholders. • A unique feature is that each negotiation table process has been led by an agency Director-General, nominated as the 'Government Champion' for that community. 	<ul style="list-style-type: none"> • Local councils in remote Indigenous communities can build the capacity to achieve an adequate level of local government service delivery using local workers. • While the standard of local government services in remote Queensland communities is variable, some Councils deliver services comparable to mainstream towns. • The requirement for ongoing SGFA funding assistance for the delivery of core municipal services recognises that FAGs, MUNS funding and other Commonwealth-derived programs are not adequate for funding municipal services. • The legislatively-sanctioned per capita levy on residents of remote Indigenous communities is a useful option to raise 'user pays' revenue from residents on communally-owned non-rateable land. • The collection of a 'rate equivalent' of \$2000 per house per annum is a precedent for a further revenue stream in lieu of rates for local governments delivering services to remote communities.

	CONTEXT	SERVICE DELIVERY	FUNDING MODEL	GOVERNANCE	LEARNINGS
Anangu Pitjanjatjara Yankunytjatjara Lands	<ul style="list-style-type: none"> • Anangu Pitjanjatjara Yankunytjatjara (APY) Lands in northwest SA are home to about 2,500 Anangu people, living in seven communities across trust land area comprising 26% of South Australia. • Delivering adequate municipal services on the APY Lands that are not within the jurisdiction of any local government has been an ongoing struggle. • The Thurtell report on the <i>Delivery of Municipal and Local Government Services on the APY Lands</i> (2007) suggested a series of options to overhaul the funding and coordination of municipal and local government services. • The SA Government responded to the Thurtell report in 2008 with a consultation paper that proposed creating a modified local government to meet APY Lands needs. • Further development of the model appears to have been put on hold as a result of the NPA reforms. 	<ul style="list-style-type: none"> • Municipal services have historically been provided through a combination of local community councils, regional organisations and State Government agencies. • The Thurtell Report highlighted the complex and disjointed model for funding and delivering services to the APY Lands. • The Commonwealth Government regionalised its MUNS funding for the APY Lands in 2009. It is now channelled through the regional service provider, Regional Anangu Services. • The Regional Anangu Services board comprises 13 members – 10 Anangu directors who are the chairpersons from each APY community, plus 3 independent directors to provide additional expertise. • Regional Anangu Services has a workshop and depot at Umuwa, and service delivery sub-depots in 5 other locations. • Community Works Officers were engaged in 5 communities with a leading hand position to oversee all districts. 	<ul style="list-style-type: none"> • Apart from the recently regionalised MUNS funding (2009), most other service funding is provided directly to communities which are ill-equipped to properly manage those funds or to employ suitable staff, and monitor and supervise staff. • Funding is provided on “a programmatic/historic basis rather than through a strategic, planned or needs-based approach”. • Funding arrangements frequently change and are not communicated to communities. They are usually for only 12 months and have onerous compliance requirements. • The Thurtell report proposed a model for pooling all currently allocated State and Commonwealth funds through a regional service provider (preferably a new local government), which was supported in principle by the SA Government but to date has proven ‘a bridge too far’. 	<ul style="list-style-type: none"> • Community Offices have become “one stop shops” for a range of community needs and activities, undertaking many tasks unrelated to the services for which they are funded. • The Thurtell Report recommended regionalisation to create a single point of accountability and coordination for the proper planning and delivery of services • Regionalisation under the MUNS program has resulted in a loss of funding for community councils. This impacts on their ability to provide community governance and administration. • The Commonwealth Government provided support to community councils through the regional service provider. • More recently, the SA Government has continued this function by employing Community Council Support Officers but these positions are only part-time (30 hours per week), are primarily administrative, and are not provided in all communities. 	<ul style="list-style-type: none"> • Local government-type services in the APY Lands continue to be funded and delivered through a complicated matrix of State and Commonwealth agencies, regional service providers and community councils. • There is no single point of accountability for these services and little hope of ensuring optimal planning and coordination. • The APY Lands case study illustrates the challenge in managing the impacts on community-level governance and administration when the delivery of services is regionalised. • In recent decades, Commonwealth Government MUNS funding to local community councils has underwritten community governance and administration functions. • The regionalisation service delivery reforms appear to have diminished community council capacity. • Stopgap funding to support community councils has been required to address this problem.