Governance at the heart of reform in remote Australia

Fred Chaney1, Bruce Walker2
1Desert Knowledge Australia Chairman, 2Desert Knowledge Australia remoteFOCUS Project

The Remote Australia Challenge

Over the past 30 years, Australia has become the most urbanised continent in the world. Australia’s view of itself has shrunk to its coastal fringe where 85% of our population now lives within 50km of the coastline. And our system of democracy and national economy has progressively been altered to serve the coastal areas and the large mass of people in urban Australia.

This has been at the expense of how remote Australia and its people and communities are governed, leading to a crisis in governance, and an urgent need for systemic change in the bush.

In that respect the impact of the ‘bush vote’ in the recent NT election did not go unnoticed in commentary around the change in government. But in many respects it was predictable. The success of the ‘Royalties for Regions’ initiative in WA, and the impact of the regional Independent members in the formation of the current Federal government all point to a wider disaffection emerging from regional and remote Australia.

This disaffection is felt differently in different locations and different sectors of the economy but Remote Australia’s diverse regions are confronted by common issues: issues globally familiar but presenting as complex local challenges. They are common to regions where people reside remotely from centres of economic and political power but are facing rapid social and economic change.

The impact of economic change and the ongoing development of public management reforms attempting to keep pace with an increasingly globalised economy is felt more acutely in local economies where people are living remote from decision-makers and suffering the ‘tyranny of democracy’.

While it could be argued the effects of these changes are felt across the whole economy, they are disproportionately represented and magnified in remote Australia because of the many unique spatial and climatic and demographic characteristics and the lack of a market other than government transfers.

“Fixing the Hole in Australia’s Heartland: How Governments Need to Work in Remote Australia”1 is the title of the Desert Knowledge Australia remoteFOCUS2 report that outlines the impact of government governance dysfunction on remote Australia and how it contributes to the issues people commonly read about in headlines or hear politicians attempting to wrestle with. The report also provides a framework to develop governance responses appropriate for and in Remote Australia.

This paper seeks to draw a distinction between the use of ‘place’ initiatives that address disadvantage within the constraints of an existing framework of government governance and a more complex interpretation of ‘place’ that recognises decision are centred at different points in a system and those place-centred decisions rely on certainty of mandates rather than representation of a particular geography.

We assert that disadvantage in remote Australia will not be relieved in a sustainable way unless there are changes to the way government is structured.

The impact of contest, division and divided loyalties on remote Australia

This vital part of Australia is too often in a state of crisis driven by ongoing contests for land and resources, values and expectations – some people want to dominate the remote environment and others live within that environment.

There are crises at the individual level when people do not get the services they need or whose lives are disrupted by distant decision-makers out of touch with their operating realities. However, there are
much broader crises. Often these relate to remote Aboriginal communities where social conditions give rise to adverse reports, which prompt government action.

But it is much broader than that. The tsunami of development in the Pilbara and other parts of remote regional Australia has seen the overwhelming of local communities by the pace of development, by the impact of fly in fly out work practices, by the crushing of local economies by cost pressures and competition for available resources. In the midst of the massive production of wealth in the Pilbara there is little or no capacity to have a butcher, baker or a dry cleaner.

Across remote Australia there are vital national interests, economic, social, cultural, and strategic. These interests are of concern to the three levels of government, to resident communities and to wealth producers. These interests create unresolved tensions.

Remote Australia matters, but is there a framework of governance that meets the needs of disparate regional circumstances?

The remoteFOCUS project concluded that:

- governance arrangements are a threshold cause of policy failure in remote Australia
- policy for remote Australia needs to be separately conceived and framed, and ‘custom-built’ to meet its specific circumstances and needs
- the challenge in designing new approaches to governing and administering remote Australia is that a paradigm shift in policy is required – and this cannot come from within the present governance framework.

Governance dysfunctions persist, despite the many well-meaning efforts of public servants and civic leaders over the years - and independently of which political party is in power. They manifest differently but the underlying causes are the same.

While identifying the similarities from region to region and across the globe, the report identifies a framework for developing regional governance responses that have legitimacy, authority, and effectiveness. This framework is grounded in international experience and extensive engagements across remote Australia – and indeed draws from the many government reports that have highlighted the need for governments to work in different and more responsive ways in remote Australia, and in ways that go beyond better ‘coordination’.

**How can we get ahead if we do not know where we are trying to go?**

Currently in remote Australia it is not clear who, if anyone, is setting the priorities and what those priorities are. Three tiers of government and a series of ad hoc regional arrangements, land councils and native title bodies etc appear to be incapable of resolving both the priorities and the contests that are taking place.

The structure and configuration of institutions across remote Australia are therefore largely not ‘custom-built or fit for their particular purpose and the failure to innovate is most marked in the public sector where increasingly centralised systems have engendered perverse outcomes at the fringes.

Our thinking responds to basic questions about the vision, capabilities, mandates and authorities that determine how tasks are performed and responses mounted at different levels across remote Australia and whether they are sufficiently legitimate, strong or appropriate. Are present governance arrangements themselves up to the challenge of responding positively to the issues raised in the many concerns around FIFO or Coal Seam Gas? For example:

- Are the various responsibilities appropriately assigned to the right levels of government?
Are there mandates assigned in ways that are adapted to specific local/regional circumstances as well as nationally shared visions?

Is there sufficient flexibility and discretion at the local / regional level in determining how resources are to be assigned and used?

Do the mandates of the Commonwealth, State and Territory and Local Government agencies allow genuine engagement of the citizens whose participation and involvement in practice is essential to achieve beneficial outcomes and who must live with the consequences of poorly assigned mandates?

Are the public servants on the ground in regional Australia sufficiently skilled experienced and consistently motivated to engage with these demanding, distinctive and critical challenges?

The Government governance framework that is presently in place, far from offering a solution, is itself a cause of repeated failure to achieve widely shared desires for progress in remote Australia. It leads us to believe that the presently favoured governance framework deserves and needs to be substantially reworked.

How do the residents of remote Australia, a population larger than that of the ACT or of Tasmania but spread over 85 per cent of the continent, see themselves and their situation? Largely, and fairly, as ill served by government.

What people want but do not get

The deep sense of disconnect and discontent recorded in extensive consultations across remote Australia is captured in five things people have constantly told us they want but don’t get.

In summary these concerns are that:

- people feel powerless, they have no say over the decisions which affect their lives,
- they are served by bureaucracies which are remote, personnel are often transient, there is little or no sense that public servants are responsible to them as against their bureaucratic and political superiors in the metropolitan capitals,
- while they are heavily dependent on government, attention from governments is irregular and unpredictable and financial flows are not sustainable, nor do their elected governments mediate the sometimes very significant global influences on their communities and lives (FIFO is a case in point), and
- they live in the forgotten backyards of the capital cities, and they are not part of a national narrative which makes sense of the decisions made elsewhere which affect their lives.

These concerns speak to the dysfunctions of governance in remote Australia but they are also aspirational claims about a desired/future style of governance – that is, they are what the people of remote Australia tell us “what success looks like”.

Moreover, we question whether present highly centralised and locally fragmented governance arrangements can respond adequately to the pressures that resource developments are creating in remote regional locations. We believe a more contextualised governance structure is required to provide authority, legitimacy and capacity at the appropriate level to achieve outcomes in regions of remote Australia. What we propose is deeper than localism and more extensive than single place-based attempts at better coordination across government agencies.

This step-jump in governance is necessary to ensure that representational and policy development processes provide adequate and fair representation for all relevant stakeholders. Governance structures should allow unfolding concerns to be routinely identified and addressed at appropriate levels of place.
and with the prospect of effective resolution. Present governance arrangements are not capable of realising these outcomes. Indeed, current arrangements far from mediating effective solutions are themselves often a contributor to discontent.

Too often the governance problems of remote Australia are reported as an ‘Aboriginal issue’— that is also a mistake. It is about ineffective government arrangements, disengagement and national indifference.

**We know what is wrong— but is there another way?**

It is clear that Governance arrangements are a threshold cause of policy failure, and that policy for remote Australia needs to be separately conceived and framed, and ‘custom-built’ to meet its specific circumstances and needs.

What is less clear is how the challenge or paradigm shift in designing new approaches to governing and administering remote Australia can happen as it is most unlikely to come from within the present governance framework.

**How has the health sector responded to these issues?**

The circumstances described above have led governments to a series of responses initially through pursuit of improved departmental co-ordination and whole of government responses to strategic interventions to target specific disadvantage and close gaps.

The health sector has been at the forefront of attempts to respond to these issues through a range of programs that can be described as place-based initiatives.

Increasingly place based initiatives, co production of service delivery and innovation strategies are being practiced in sectors like health, disability services, child and family support services, etc to address disadvantage. This paper suggests these concepts, built around principles to address disadvantage in largely urban hot spots, will not translate immediately into remote contexts or provide durable outcomes without a concurrent reform of governance and recognition of the unique operating environment in remote Australia.

Over the past 30 years the world has witnessed significant and rapid change that has had a dramatic impact on the economy as well as social, physical and psychological wellbeing of societies. In the health sector ‘wicked problems’ such as obesity, child abuse and social exclusion cross-departmental boundaries and resist solutions that in the past would have been readily available through the action of one agency. Government departments typically focus on acute problems and do so unilaterally, rather than coordinating efforts to address factors that lead to wicked problems occurring in the first place. Governments seek to integrate services so as to improve access and thereby improve outcomes.

In parallel with the development of the Queensland Strategy for Chronic Disease 2005-2015 is the development of three place-based initiatives in North Lakes and surrounds, Logan-Beaudesert, and Innisfail. Place based initiatives focus on providing integrated service delivery models at local level across a continuum of care. The goal of the place-based initiatives is to develop new ways of working that engage and bring together a range of public and private providers to address the health needs of the local populations.

In Australia, as with many other developed nations, urban renewal and place-based interventions have been implemented as a means of addressing the problems of concentrated disadvantage. Place based interventions offer a number of potential ways to tackle concentrated social disadvantage including addressing behavioural, psychological and material pathways and by impacting on the social determinants of health in a neighbourhood setting.
Place based approaches aim to address these complex problems by focussing on the social and physical environment of a community and on better integrated and more accessible service systems, rather than focussing principally on the problems faced by individuals.5

In the United States for more than five decades, public, private and nonprofit entities have implemented a range of targeted neighbourhood revitalisation strategies designed to tackle the challenges associated with concentrated poverty.6 At their core these initiatives try to tackle long-standing disparities in housing, employment, education and health caused by public policy decisions, market forces and failures and patterns of discrimination. Yet overcoming these inequalities has proven to be difficult. In some cases, place-based initiatives have led to measurable improvement; in others efforts have struggled, failing to significantly ‘move the needle’ on the challenges associated with deeply entrenched neighbourhood poverty. The Obama administration has explicitly endorsed place-based policy and has launched an evaluation of existing place based federal policies in an effort to identify areas of overlap and to seek avenues for interagency coordination.6

Many policies and interventions have been implemented to address health related issues in areas of concentrated disadvantage. However very few of these interventions have been subject to well designed and rigorous evaluation.

In the context of remote and regional Australia it is important to note that when the Australian Social Inclusion Board were looking for examples of good governance for location based initiatives they relied initially on work undertaken on the COAG Remote Service Delivery Partnership and other Commonwealth government initiatives in remote Australia.7 The remoteFOCUS report points out the limiting nature of this reliance on better coordination, whole of government and strategic intervention approaches.

Another significant and limiting factor in regional Australia is the difficulty of establishing an evidence base that is rigorous enough to withstand public opinion and coastal bias. Given the small populations and high mobility it is difficult to obtain meaningful statistically relevant outcomes. Ultimately to be effective over the long term, local place based interventions need to be rolled up into systems change and policy advocacy6 particularly in remote Australia.

Choosing between reducing disadvantage and eliminating governance dysfunction

The significant difference between the place-based health and human services initiatives trialled in many parts of the developed world, and now firming up in Australian Government policy frameworks, is that they are established principally to deal with disadvantage rather than governance dysfunction. Further they attempt to address disadvantage within the constraints of an existing framework of government governance. The work of remoteFOCUS has established that it is the dysfunction of government in remote Australia which is a threshold cause of the chronic symptoms observed in health, education, economy and employment prospects. Disadvantage is the clear sign of where the global economy and Australia’s geography conspire against an even spread of economic opportunity but disconnected and dysfunctional governance reduces any ability to consolidate any programmatic responses to disadvantage.

The national evaluation of the Commonwealth Communities for Children initiative, part of an area-based intervention known as the Stronger Families and Communities Strategy, noted that the logic of the model had an explicit focus on funded service coordination and cooperation in communities as a unique and important aspect of the initiative.8

The application of innovative place based programs whilst paying lip service to governance does not generally attempt to systemically address the governance constraints that ultimately limit the capacity of ‘place’ to respond to an investment of resources in that place.
Different ‘places’
There are three clear differences where the principles almost universally endorsed for place-based interventions differ from the principles set out in the remoteFOCUS report.

The first is that the regional focus of remoteFOCUS is based on governance dysfunction not social and economic disadvantage.

The second is that most place-based initiatives suggest a governance structure which has the most affected people central to the governance by having representatives on a board. The remoteFOCUS thesis assumes that the basis of the disadvantage and dysfunction is the contest of values and contest for resources resulting from rapid change. Therefore a governance body should not merely reflect the representatives in the contest but be above the fray and able to mandate with authority and legitimacy across the place-centred decision making that needs to be resolved for effective outcomes.

The third is a clear recognition that while place is important in shaping peoples’ environment and health an alignment needs to occur at many places across a wider system or region for successful outcomes to be realised. Hence the use of the term ‘place-centred governance’ with an emphasis on clarity of mandates and accountabilities, rather than spatial definitions and local geographies defining place.

The practice of place-based initiatives across remote Australia will ultimately be limited if there is not concurrent governance reform taking place within government.

What can be done?
There are many potential ways of remedying these structural governance problems. The more promising prospects involve greater degrees – and varying patterns – of community engagement and decentralised governance as already advocated in ‘place’ literature.

New arrangements will inevitably take time, but it is imperative that a substantive start be made. There is no one size fits all solution.

Special purpose initiatives will be required and these will need cross-party political commitment and support from business, professional and community organisations.

Policy development and administration for remote Australia is largely determined within State and Territory borders. As a result there is a fragmented approach. Major decisions affecting remote Australia are almost entirely made in capital and regional centres on the coast or in Canberra, with little understanding of its key drivers and its unique setting. Instead, strategic and context-specific action is required to achieve positive outcomes.

Reforming public sector governance in remote Australia demands leadership at the top level of governments and a willingness to support real change for the good of remote Australians and the nation as a whole.

Four things could make a difference:
1. establish a small number of trials, or ‘innovation’ regions or zones with the specific aim of developing an on-going process of learning, consensus and regional capacity building - to help build momentum for change and provide ‘proof by good example’
2. investigate the capacity for governance reform to act as a micro-economic stimulant for remote Australia
3. create an on-going institution such as an Outback Commission that has the mandate and authority to focus on remote Australia and its regions, to change the dynamic of under-
development that afflicts the regions, and sustain a momentum for change and regional coordination that is specific to remote Australia.

4. determine the national interest in remote Australia - economically, socially and in terms of security - because in the absence of a narrative that embraces micro economic reform and establishes the national interest in remote Australia and a settlement pattern that supports that national interest, nothing is going to change and it will be difficult to respond to concerns consistently expressed across regional Australia.

For much of remote Australia, public policy remains blind to the fact that geography and globalisation conspire against an even spread of economic opportunity, and that viable economic livelihoods in remote Australia require an innovative blending of the formal economy, ‘hybrid’ or social enterprise economies, and public sector equity, as well as attention to risk mitigation and enablement. Dealing with this blind spot in our national interest requires skills and capabilities that successive governments have underinvested in. This must surely be acknowledged and remedied to build a governance framework capable of supporting innovative place-centred initiatives created in response to the ongoing pressures and change that will impact on remote Australia as we continue to respond to the economic adjustments occurring around us.

What has happened since the remoteFOCUS report was released?

remoteFOCUS have followed the release of the report with a number of actions. An emerging remoteFOCUS alliance, currently 700 people and organizations, is sharing in a discussion about how the ideas might play out in their local regions. Work has commenced in scoping two to three small regional pilots and the Fixing the Hole in the Heartland report was referenced at length in the recently released House of Representatives Report into Fly In Fly Out/ Drive In Drive Out Workplace Practices, following submissions from the remoteFOCUS team. The House of Representatives Report recommended that the Productivity Commission investigate whether there is a better governance system for remote Australia.

Recommendation

There is an obvious shared interest in a mutual alliance between remote health practitioners and remoteFOCUS. Along the lines outlined in this paper and Fixing the Hole in Australia’s Heartland report, it is recommended that this conference establish a working group to determine the capacity for government governance reform to impact on and add value to local health programs across remote Australia.

References


2. remoteFOCUS is a group of concerned Australians with extensive experience in dealing with regional and remote Australia. The group convened by The Hon Fred Chaney AO Chairman of Desert Knowledge Australia is committed to develop practical sustainable cost-effective options to greatly improve governance, policy and infrastructure and service delivery in remote Australia. Desert Knowledge Australia auspices the work as a contribution to their wider mandate to help bring about change to sustain and enhance the lives and livelihoods of all desert peoples.


7. Australian Government, Governance Models for Location Based Initiatives, Australian Social inclusion Board, Canberra, 2010
