
Scoping paper:

**Indigenous Council Capacity-Building in
Queensland**

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Acknowledgment: This report reproduces some material previously prepared by the author, including in the author's unpublished PhD dissertation and consultancy reports produced for the Queensland Government relating to Indigenous Councils.

1. Background

The Australian Centre of Excellence for Local Government (ACELG) was established in 2009 as a consortium involving the Centre for Local Government in Australia (at University of Technology Sydney), the University of Canberra (UC), the Local Government Managers Australia (LGMA), the Institute of Public Works Engineering Australia (IPWEA) and the Australia and New Zealand School of Government (ANZSOG). It also has three ‘program partners’, in the Australian National University (ANU), Charles Darwin University (CDU), and Edith Cowan University (ECU).

In December 2009, ACELG formulated a five-year project plan, which identified six program areas. One of the program areas is focused on rural-remote and Indigenous local governments. The objective of the Rural-Remote and Indigenous Local Government Program is to identify and address specific governance and capacity building issues facing rural, remote and Indigenous councils. In order to identify how best to frame this program, ACELG commissioned scoping studies in Western Australia, the Northern Territory and Queensland. In essence, the scoping studies are designed to identify:

- The institutional, policy and service delivery systems of local governments with reference to structural, functional and operational arrangements;
- The education and training needs of local governments with reference to financial and asset management, people management and development, service delivery strategies and approaches;
- Specific capacity building needs of rural-remote and Indigenous local governments, plus critical gaps in current policies and programs and identification of successful practice;
- How ACELG could assist directly – by designing and/or delivering programs, disseminating best practice, facilitating information exchange, carrying out further research – or indirectly by highlighting action needed by agencies that ACELG might promote through its policy development role.

This report comprises the results of the capacity-building scoping study for Indigenous councils in Queensland. The report complements an existing scoping study of non-amalgamated Queensland councils completed by the Local Government Association of Queensland (LGAQ) in October 2009 (Morton Consulting Services 2009). That report broadly canvassed the priority capacity-building needs for rural and remote local governments in Queensland, but did not consider the particular needs of Indigenous councils.

Because of the extensive research and consultations that have already been conducted regarding the capacity-building needs of Queensland’s Indigenous councils over the past decade, it was not necessary to collect substantial new data to complete this report. Instead, the author has drawn on key reports and research studies including the following:

- the Cape York Justice Study 2001, which contained a chapter on Indigenous community governance (Fitzgerald 2001);
- the state-wide consultations for the Green Paper Review of Indigenous Community Governance (Department of Aboriginal and Torres Strait Islander Policy 2003);
- the Community Governance Improvement Strategy (Department of Local Government Planning Sport & Recreation 2004);
- annual reports of the Auditor-General regarding financial management performance of Indigenous local governments;
- scoping research undertaken by the author for the Queensland Government in developing a business model for the proposed Indigenous Councils Skills Bank in 2008;
- case study research on the performance of three Aboriginal Councils in far north Queensland (Limerick 2009); and

- the report of an Indigenous Council Task Force sent to all Queensland Indigenous councils to assist with financial management and governance over a two month period in July and August 2009 (Indigenous Council Task Force 2009).

In the course of preparing this report, the author also met in April 2010 with key staff of the agency responsible for Indigenous councils in Queensland, the Department of Infrastructure and Planning, and staff of the Local Government Association of Queensland (LGAQ) and the Local Government Managers Australia (LGMA) Queensland.

To capture up to date information about the current priority capacity-building issues for Indigenous councils, the author also interviewed three leading Indigenous council CEOs in June 2010:

- Leon Yeatman, CEO, Yarrabah Aboriginal Shire Council;
- Warren Collins, CEO, Cherbourg Aboriginal Shire Council;
- Geoff Brown, A/CEO, Palm Island Aboriginal Shire Council.

The report commences in Part 2 with background about Indigenous local governments in Queensland. In Part 3, it then reviews all previous consultations, reports and research, together with the views expressed by the sample of current CEOs, to identify the key capacity-building needs and priorities for Queensland's Indigenous councils. Part 4 provides an analysis of previous responses to these capacity-building needs, dating back to the 1990s. This discussion seeks to identify evidence about 'what works and what doesn't work' as well as highlighting some innovative concepts that have been proposed but not implemented. Part 5 briefly reviews current approaches to Indigenous council capacity-building, as revealed in discussions with key stakeholders in Queensland. Finally, in Part 6, the report draws together the previous analysis in suggesting some future strategies for Indigenous council capacity-building that will meet the identified needs and take account of the evidence about what has worked and what has not worked in past responses. These future strategies provide a starting point for ACELG's deliberations about a new national strategy for capacity-building for Indigenous, rural and remote local governments.

2. The Indigenous local government sector in Queensland

2.1 A short history of Queensland's Indigenous councils

Although Indigenous councils in Queensland now function as Shire Councils under mainstream local government legislation, to appreciate their current capacity needs it is important to understand that their genesis has been very different from other local governments. Any assessment of Indigenous council needs must be cognisant of their unique cultural and historical context.

Beginning in the late nineteenth century, the previously dispersed Aboriginal population of Queensland was progressively centralised into small settlements located across the State. Some people voluntarily migrated to these settlements, while some were forcibly relocated by the State Government under laws and policies for the 'removal' of families and individuals (especially mixed-race children) for their purported 'protection'. Most of the new settlements were instigated by missionaries from various Church denominations, although the State Government also established settlements at Cherbourg, Woorabinda and Palm Island in the early part of the twentieth century.

Although the administrative methods and ideologies adopted by the missionaries and government superintendents differed from place to place and from individual to individual, the common element is that they afforded Aboriginal people very little control over their everyday lives. Historian Ros Kidd notes that in Aboriginal settlements, "[t]he State's bureaucracy controlled all aspects of personal and social life: right to marry, care of children, place of living, employment, supply of food, safety of water, provision of medical attention, schooling, housing, community amenities, policing and justice" (cited in Fitzgerald 2001, Vol.2, p.1).

From the 1940s, elected councils were established in Aboriginal reserves and missions, but their role was purely advisory and the governance of the settlements remained firmly in the hands of the appointed officials, who took their directions from the Director of Native Affairs in Brisbane (Fitzgerald 2001, Vol.2, p.5). Kidd (in Fitzgerald 2001, p.27) argues that the original establishment of the councils was simply "intended to present a cosmetic overlay of democracy within Queensland's dictatorial administration".

The 1970s saw a reassessment of policy frameworks for Indigenous affairs across Australia. A growing awareness of the extent to which prevailing policies and laws were at odds with international human rights covenants and an increase in political activism amongst Indigenous people and their non-Indigenous supporters started a shift towards an approach based on 'self-determination'. In Queensland, community agitation throughout the 1970s and early 1980s for greater rights for Indigenous people culminated in new laws introduced between 1982 and 1984 to put in place a land rights and self-management regime. The *Land Act (Aboriginal and Islander Land Grants) Amendment Act 1982* provided for the grant of Aboriginal reserve land to Aboriginal councils as Deeds of Grant in Trust (DOGITs) and the *Community Services (Aborigines) Act 1984* provided for the Aboriginal councils to be vested with local government authority status. Similar legislation was passed for Torres Strait Island councils.

Starting in 1986, the Department of Community Services commenced a process of handover of the core functions of community government to Aboriginal and Island Councils. This process was planned to involve a transitional period where officers from the Department's Transitional Functions Unit continued to have a close presence in the communities, purportedly to provide training and support. In reality, however, it appears that very little effective training or capacity development was provided to the councils and local Indigenous staff during the years following the handover. A former Departmental officer who worked in Aboriginal communities at the time recalled that "*the self management transition was a ridiculous bloody process; there was no succession management planning at all – it was just: 'here's the keys, boys'*". Staff of the Hope Vale Council who were involved at the time of the transition had similar recollections: "*The big word at the time was 'self-management', [but] the money was just thrown at the councils, so you have to govern and everything,*

but there was no training and I think we just kept stumbling”; “You were thrown into the situation where you had no training, you were just told ‘its self-determination now.’ It took me a whole year to actually get my footing”. Neither were elected councillors given adequate preparation for their new role. A Yarrabah councillor recalled that the Department had organised just one budgeting workshop in Gympie and that this was just a “PR exercise” (Connolly 1989).

Compounding the difficulty for Indigenous councils was the fact that they were taking over responsibility for a much wider range of functions than mainstream local governments. In addition to standard local government services such as roads, sanitation, water and sewerage, Indigenous councils administered a range of social welfare functions including the provision and maintenance of community housing, managing employment programs, running a community police force and delivering a host of social programs in areas such as local justice initiatives, drug and alcohol abuse prevention, suicide prevention, family support, aged care and child care. A government report in 2001 identified that Aboriginal councils had 59 areas of functional responsibility compared with 34 areas traditionally performed by mainstream local governments (Fitzgerald 2001, p.248).

In these circumstances, it is hardly surprising that Indigenous councils struggled to deliver services and maintain adequate standards of financial management and administration. Throughout the 1990s, a succession of government reviews investigated the problems besetting Aboriginal councils. Concerns about the cultural appropriateness of the representative council model for Aboriginal communities led to initiatives to explore alternative governing structures more suited to Aboriginal authority structures (Limerick 2001). Other reforms were focused on tightening the accountability requirements to address concerns about nepotism and poor governance.

The catalyst for more significant reform, however, was Justice Tony Fitzgerald’s Cape York Justice Study (Fitzgerald 2001), which led to a Green Paper review of Indigenous community governance (Department of Aboriginal and Torres Strait Islander Policy 2003). Although the Green Paper did consider the possibility of alternative governing structures, it ultimately led to a decision to repeal the *Community Services (Aborigines) Act 1984* and transition Aboriginal councils to the same legislative framework as other local governments in Queensland under the *Local Government Act 1993*. The *Local Government (Community Government Areas) Act 2004* provided for Aboriginal councils to make the transition to Shire Council status over four years. The result was that, with some minor differences that took account of the different land tenure and circumstances of Aboriginal communities, the legislative framework for Aboriginal councils became the standard local government model applicable in other parts of Queensland. With the commencement of the new *Local Government 2009*, any remaining differences in the legislative framework for Aboriginal Shire Councils have been repealed and the transition to the mainstream local government environment will be completed. The former Aboriginal Councils have now joined the Indigenous communities of Aurukun and Mornington Island, which had already been brought under the mainstream local government system in 1978.

The process of Queensland local government amalgamations that was launched in 2007 affected only those Indigenous councils in the Torres Strait and the Northern Peninsula Area, at the tip of Cape York. Fifteen Island Councils in the Torres Strait, which had previously operated under identical legislation to Aboriginal Councils, were amalgamated into a new Torres Strait Island Regional Council operating under the *Local Government Act 1993*. Two Island Councils and three Aboriginal Councils were amalgamated into the Northern Peninsula Area Regional Council at this time.

During the reform process, the Local Government Reform Commission considered the options for amalgamation of other Aboriginal Shire Councils with larger neighbouring local governments. Ultimately, the Commission came to the conclusion that “it is not in the interests of either the mainstream councils or the Aboriginal communities to amalgamate until issues regarding the trusteeship of DOGIT land and other additional responsibilities undertaken by Aboriginal local governments are examined and resolved” (Local Government Reform Commission 2007, p.64).

2.2 Legislative, functional and fiscal basis for Indigenous councils in Queensland

The result of the legislative changes in recent years is that there are now 16 local governments in Queensland governing discrete Indigenous communities, as listed in Table 1. One other local government, Torres Shire Council based in Thursday Island, is not a discrete Indigenous community but has a majority of Indigenous residents. Indigenous local governments comprise 16 of Queensland's 73 local governments.

Table 1. Indigenous local governments in Queensland, 2010

Council	Population ¹	Notes
Aurukun Shire Council	1200	Local government since 1978
Cherbourg Aboriginal Shire Council	1210	Former Aboriginal Council
Doomadgee Aboriginal Shire Council	1240	Former Aboriginal Council
Hope Vale Aboriginal Shire Council	830	Former Aboriginal Council
Kowanyama Aboriginal Shire Council	1140	Former Aboriginal Council
Lockhart River Aboriginal Shire Council	610	Former Aboriginal Council
Mapoon Aboriginal Shire Council	260	Former Aboriginal Council
Mornington Shire Council	1090	Local government since 1978
Napranum Aboriginal Shire Council	930	Former Aboriginal Council
Northern Peninsula Area Regional Council	2260	Amalgamated in 2008 from New Mapoon Aboriginal Council, Injinoo Aboriginal Council, Umagico Aboriginal Council, Seisia Island Council and Bamaga Island Council
Palm Island Aboriginal Shire Council	2190	Former Aboriginal Council
Pormpuraaw Aboriginal Shire Council	670	Former Aboriginal Council
Woorabinda Aboriginal Shire Council	970	Former Aboriginal Council
Wujal Wujal Aboriginal Shire Council	350	Former Aboriginal Council
Yarrabah Aboriginal Shire Council	2640	Former Aboriginal Council
Torres Strait Island Regional Council	Unavailable	Amalgamated in 2008 from 15 former Island Councils.

Legislative basis

The passage of the new *Local Government Act 2009* has seen Indigenous councils in Queensland complete the transition to the same legislative framework as other local governments in Queensland. Any remnant differences that were a legacy of the previous *Community Services (Aborigines) Act 1984* and *Community Services (Torres Strait) Act 1984* have now been removed. The size of elected councils is now standardised, with most councils comprising five representatives elected from the community at large. The Indigenous regional councils have larger numbers of councillors based on divisions representing the amalgamated communities.

Indigenous council elections are held every four years, comprising separate ballots for the Mayor and for the other councillor positions. The next election is due on 31 March 2012. The previous scope for

¹ Figures from Department of Communities, estimated as at December 2008.

Aboriginal council chairpersons to be elected by the councillors rather than directly elected by the electorate has been removed in favour of the standard local government electoral model.

The new *Local Government Act 2009* was developed in response to concerns expressed by Queensland local governments that the previous Act was too prescriptive and did not contain the flexibility to meet the diverse needs of local governments varying in size from rural councils with a few hundred residents to metropolitan councils with several hundred thousand residents. The Minister for Local Government, Desley Boyle MP, in her Second Reading Speech explained the intent of the new Act as follows:

With the new Bill being principles-based, most of the prescription of a process in the current Act has been removed. This will make the new legislation easier to understand and navigate, sufficiently comprehensive to apply to all local governments, but flexible enough to recognise that one size does not fit all.

Functions

As mentioned earlier, Indigenous councils have traditionally administered a much wider range of functions than other local governments. This is partly the historical legacy of the old system of administration of Indigenous missions and settlements, where every aspect of community life was administered by church and Government authorities. Indigenous councils inherited many of their predecessors' responsibilities. Indigenous councils also carry a heavier burden for administering social programs that would otherwise be delivered by non-Government organisations simply because there is little capacity in the non-Government sector in most Indigenous communities. Furthermore, the absence of a private sector means that Indigenous councils operate services and enterprises such as post offices, bank agencies, petrol stations and retail stores.

In the past five years, the Queensland Government has sought to normalise the responsibilities of Queensland Indigenous councils by encouraging a focus on 'core' local government functions. In addition, council responsibility has diminished in relation to two of the most significant non-local government program areas, the management of community housing and the administration of Community Development Employment Projects (CDEP). Nevertheless, as the provider of last resort, Indigenous councils continue to exercise a wider range of responsibilities than most mainstream councils.

Funding

Unlike other local governments, Indigenous councils are unable to raise rates from residents, as the land within their jurisdiction is communally owned rather than privately owned by individual ratepayers. As a consequence, the State Government makes annual grants to the councils under the State Government Financial Assistance (SGFA) scheme to cover their basic operational costs and to assist in providing essential services to the communities. The grants are calculated on the basis of a formula that takes into account the per capita cost of delivering a suite of local government services. In 2009-10, the total funding pool for Indigenous councils under SGFA was \$31.2 million.²

The councils also receive grants totalling \$18.1M (2009-10) from the Commonwealth Government from a pool of funds for all local governments, known as the Financial Assistance Grants (FAGs). In order to deliver required services, councils supplement their SGFA and FAG funding with grants from a multitude of other State and Federal government sources and any own-source income they can generate, mostly from enterprises.

A 2008 review of municipal services' funding to Queensland's 16 Indigenous Councils by Deloitte Consulting identified a potential revenue gap across all municipal funding sources in the order of \$14.8 million as at 2005-06. With indexation, the gap would approximate \$16.3M in 2009-10 terms. Over the intervening period, however, the Department of Infrastructure and Planning has indicated that combined increases totalling \$18.75M to the SGFA, FAG and other existing programs together with new, specific purpose, municipal funding programs have addressed the identified gap.

² Figure sourced from Department of Infrastructure and Planning's website, <http://www.dip.qld.gov.au/indigenous-councils/funding-programs.html>, accessed 24 June 2010.

Indigenous councils are further assisted by the State Government and the Australian Government to provide essential services infrastructure under the Joint Agency Infrastructure Program (JAIP). The funding contributes to essential services such as water supplies, reticulated sewerage and treatment plants, road upgrades, stormwater drainage and solid waste.

3. Capacity building needs and priorities

The capacity-building needs of Indigenous councils have been well documented by a series of reports, reviews and studies over the past two decades (Auditor-General of Queensland 2007; Fitzgerald 2001; House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs (HRSCAA) 2004; Legislation Review Committee 1991; Limerick 2001; Parliamentary Committee of Public Accounts (Qld) 1991, 1993). While Indigenous councils have made progress in some areas, many issues, such as governance skills, financial management performance and staff attraction and retention, have been perennial issues since the councils were incorporated in the 1980s. A number of new priorities have emerged in recent years as Indigenous councils have made the transition from Indigenous-specific legislation to the mainstream local government system.

This Part outlines the capacity-building needs and priorities that have been most commonly raised for Indigenous councils. In-depth data about these issues was collected by the author during PhD case studies of three Aboriginal councils in 2005 and 2006, which built on a decade's experience as a Queensland Government officer working largely on Indigenous council support strategies. The most recent data about Indigenous council capacity building needs was collected by an Indigenous Council Task Force that was established by the Queensland Government to assist Indigenous councils to finalise their financial statements between July and September 2009. To capture current issues, the author conducted phone interviews in June 2010 with three experienced Chief Executive Officers from Queensland Indigenous councils.

3.1 Governance practices

The central conclusion from the author's own PhD research on three Aboriginal councils in north Queensland was that council performance is directly linked to the quality of governance (Limerick 2009). In particular, the research concluded that in an Aboriginal community context, the following configuration of governance attributes will lead to successful council performance:

- a *strategic orientation* based on a *shared vision*;
- a clear *separation of powers* between politics and administration;
- respect for the *rule of law* through a commitment to impartially applying equitable rules and policies;
- an *effective administration* featuring a commitment to sound financial management, a stable workforce and human resource management practices that value, support and develop staff;
- appropriate *community engagement* in relation to those community governance activities where success is contingent on input of information from a range of interests, the motivation and commitment of the community or coordination with community-based agencies; and
- *strategic engagement* with government and other institutions external to the community.

This list comprises a particular configuration of what might be considered 'orthodox' governance principles, institutions and practices that are commonly identified as important in many non-Aboriginal contexts. One of the significant conclusions to be drawn from the Aboriginal council case studies was that, not only are certain orthodox governance approaches relevant in an Aboriginal community context, they take on a special importance in light of the unique pressures faced by leaders and staff within Aboriginal community governments. An Aboriginal council is one of the most challenging of governance environments. Leaders and staff are faced with profound levels of community disadvantage, a bewildering and disempowering bureaucratic framework and suffocating personal pressure arising from family and kinship obligations. Sanders (2006) has described the problem of "isolated managerialism" that confronts both Indigenous and non-Indigenous staff of Aboriginal governance organisations. The case studies illustrated that adherence to a particular set of sound governance practices underpinned by a shared vision can provide the protection, the security

and the inspiration for the leaders and staff of an Aboriginal council to effectively meet their constituents' desired community government outcomes.

The central significance of governance practices in Indigenous councils was confirmed on a broader level by the Indigenous Council Task Force in 2009. The Task Force comprised three teams of three experienced local government professionals who were engaged to visit all 16 Indigenous councils to assist with the preparation of their end of year financial statements. The Task Force report concluded:

While this task force was primarily focused on financial management and completion of financial statements for audit purposes, it has become abundantly apparent that in many circumstances, the underlying issues stem back to poor governance practices rather than necessarily just financial management. Those councils that were more successfully dealing with financial management tended to have better governance practices while those that were completely struggling with financial management tended to have poor governance practices as well (Indigenous Council Task Force 2009, p.8).

The Task Force went on to list several key governance issues that were common across the 16 Indigenous councils, including:

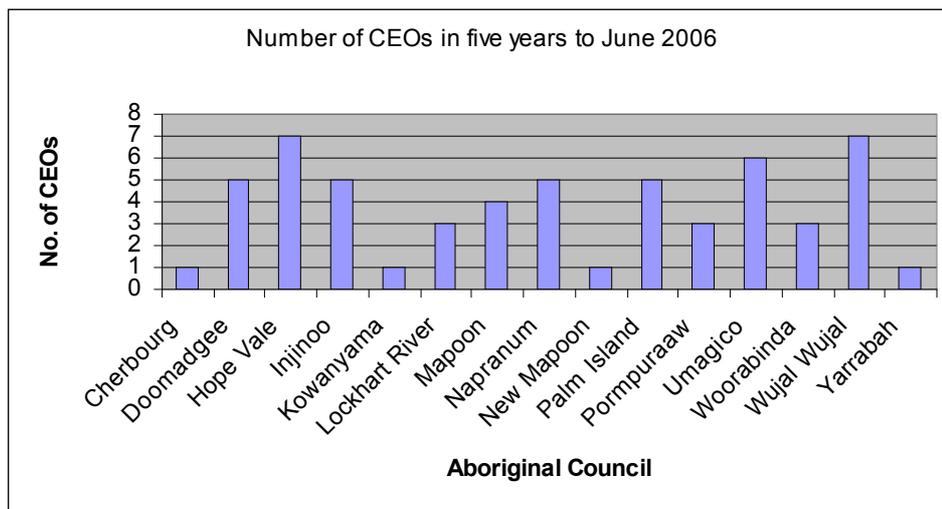
- lack of understanding of different roles of the Mayor and councillors as distinct from the CEO and staff;
- lack of focus and leadership of elected councillors;
- corporate planning documents (such as a corporate plan, operational plan and budget) that were either not in existence or not being used or understood by decision-makers;
- lack of policies and procedures, or policies and procedures not being managed or accessible or understood by staff; and
- poor records management in some councils.

Clearly, this list mirrors some of the key determinants of council performance identified in the three in-depth Aboriginal council case studies. They represent the continuing areas of highest need for many Indigenous councils, although the case studies and the Task Force did reveal some exemplars of good practice in governance. Interviews with council CEOs for the present study confirmed that governance skills and capacity remain a high priority for development. One CEO reported that the council's previously strong record of maintaining a separation of powers between elected leaders and the administration had been eroded in recent years by a new set of councillors who had not had sufficient training in relation to this issue. Another CEO recalled how he had relieved in the CEO position in a remote Indigenous council and was shocked to realise that the councillors expected the CEO to run the entire meeting process. These councillors did not have the confidence to direct the meeting and had adopted a subservient role to a "dictatorial CEO". Anecdotes such as this reinforce the ongoing need for Indigenous councils to be supported in terms of governance training for elected leaders and adoption of good governance practices and systems for the council's core decision-making responsibilities.

3.2 Senior staff recruitment and retention

The difficulty faced by Indigenous councils in attracting staff to key positions has been consistently raised by reports on Indigenous councils over many years. The Auditor-General's 2006 report into financial management of Indigenous councils noted that "the inability to recruit appropriately qualified staff and high staff turnover has often been stated as a cause of poor governance and financial issues" (Auditor-General of Queensland 2006, p.17). The report noted the correlation between the high turnover in the CEO position and the poor performance of several councils. A comparison of the turnover of CEOs over a five year period in Aboriginal councils (as indicated in Figure 1) confirms that this is a significant factor in councils' capacity for good governance. The four councils who had only one CEO during this period were widely regarded at the time as the best performing Indigenous councils in Queensland.

Figure 1. Number of CEOs in five years to June 2006³



While the CEO position is critical, stability in all senior management positions is important to an Aboriginal council’s success. The Aboriginal council case study research identified the level of stability in senior staffing as a key factor linked to the performance of the three councils studied. The highest performing council had managers with an average tenure of 15 years at the council, while the two poorly performing councils had an average tenure of only 4 years (Limerick 2009, p.213).

Shortages of skilled staff in key positions are a growing problem in the local government sector across Australia. Remote Indigenous councils in Queensland face additional difficulties attracting staff as a result of their remoteness, dysfunctional community environments and limited funds to offer attractive remuneration packages. Furthermore, the high pressure on Indigenous councils to meet the acute needs of community residents makes senior management roles in these councils particularly demanding and stressful. The Indigenous Council Task Force (2009, p.10) highlighted “staff burnout” as a key issue leading to higher management turnover. The Task Force also noted that the alcohol restrictions introduced in remote Indigenous communities in recent years have deterred some staff from taking up positions in these locations. It is also not uncommon for CEOs of Indigenous councils in Queensland to be physically assaulted in the course of their duties. The CEO of one council in north Queensland is currently on extended stress leave as a result of receiving a death threat delivered by way of a bullet received in the mail.

The problem of attraction and retention was also highlighted in the LGAQ’s scoping study regarding the capacity-building needs of rural councils. The report commented on very high turnover rates in some councils and “the difficulty in retaining staff with young families particularly once secondary school attendance was required” (Morton Consulting Services 2009, p15).

The inability to offer adequate accommodation is a key barrier inhibiting Indigenous councils’ efforts to recruit and retain skilled staff in their communities. According to the Lockhart River Aboriginal Shire Council: “Accommodation remains one of the biggest stumbling blocks to progress here. We cannot attract and retain good staff when there is simply nowhere for them to live and work” (Lockhart River Aboriginal Shire Council 2004, p.30).

Senior managers in Indigenous councils also face an extraordinarily high workload. The lack of middle management capacity and the poor educational levels of many local staff place a huge burden on the senior officers to manage every aspect of council operations. In the words of a former CEO, “basically every day, you’re the councillor, you’re the chairman, you’re the [public] face. Any problem people have with council, you’re the first door they’ll knock on.” The Indigenous Council Task Force commented on the poor management skills at the middle management and operational

³ Data sourced from Department of Local Government Sport and Recreation records.

levels, “which puts a strain on the ‘skilled few’” (2009, p.8). To illustrate this problem, during one of the Aboriginal council case studies, the researcher observed the Chief Financial Officer conducting the daily cash count for the alcohol canteen takings, because he had no one with the requisite skills to whom he could delegate this task.

It needs to be acknowledged that the nature of Indigenous councils’ needs with respect to skilled staff differs somewhat from other local governments. The role of a senior officer in an Indigenous council requires more than just professional and technical skills – it encompasses a broader role of mentoring, skills transfer and capacity-building in respect of the other staff in the organisation. The fundamental need to be met is therefore not just the shortfall in skilled senior staff, but the need for skilled staff who can meet the deeper need to build the human and organisational capacity of Indigenous councils.

While the highest area of need for skilled staff has been in relation to senior management and finance positions, lack of other specialist professional skills has been increasingly identified as a skills gap for Indigenous councils. In particular, there is a growing need for qualified town planning personnel. Most Indigenous councils are dealing with pressing development problems arising from severe overcrowding and deficient community infrastructure. The transition of Indigenous councils to the same legislative framework as mainstream local governments is increasing the pressure for them to improve their planning practices.

3.3 Training and development of local staff

Indigenous councils have a preference for employing local community members wherever possible. There are very few employment prospects for residents of Indigenous communities outside the councils, so councils have tended to place a high priority on maximising opportunities for local employment. Sometimes employment of a local person is the only available option due to the difficulty in attracting and retaining skilled staff from outside the community.

In practice, this situation means that Indigenous councils often employ local residents in positions for which they are not qualified. For such staff, it is imperative that the council access training and development opportunities to better equip the individuals for the requirements of the job.

The availability of TAFE training varies across remote communities. Some locations have arrangements with regional TAFE institutions to deliver block training within the community. The availability of suitable training facilities is an obstacle for many councils. Training opportunities specifically for local government staff in remote communities are not readily available. The Queensland Government has run a training program for Indigenous council staff in recent years, but its reach remains limited.

The author’s research on Aboriginal councils revealed that there are significant obstacles to the success of conventional training strategies in remote communities. For example, at Lockhart River, the prospects for training council staff are constrained by the fact that many residents have poor literacy and numeracy levels, speak a language specific to the community and have little experience or life skills to prepare them for training. There is wide acknowledgement that these factors have rendered the conventional approach to training at Lockhart River unsuccessful. The council’s community plan states that “[b]rief visits from outsiders and traditional structured training and employment processes developed outside the community have had few sustainable results to date in Lockhart River” (Lockhart River Aboriginal Shire Council 2005). Instead, the council has argued that approaches based on mentoring and one-on-one coaching of staff are required to build the skills of local staff in the community. A former CEO explained:

You don’t do virtual learning [at Lockhart River]. It’s not the learning style; it’s an observational learning style. You’ve got to have someone there mentoring, shadowing, all the way through. And not just for a year, it’s got to be between 3 to 5 years to build an individual to run it.

While such training is obviously more labour intensive,⁴ the Lockhart River Council has had some success with this approach in recent years. For example, to improve the stores and inventory control within the council, a former army ordnance officer was engaged to work on a day-to-day basis coaching and mentoring the storeman and assistant storeman for six months to establish effective systems and processes. The approach was highly successful, attracting positive comment from the external auditors and apparently resulting in improved work ethics in the stores section. Council staff were confident that this approach to staff development would lead to more sustainable improvements in staff performance than attempts to provide formal training. According to a senior manager: “*You need one chief and one Indian and then the work will flow. And quite often once you’ve shown them the basics, the work flows quite well*”.⁵

3.4 Operational planning and project management skills

Indigenous councils suffer from a serious deficit in project management capacity, stemming from the generally lower level of education and skills of operational managers compared to other organisations. Poor project management capacity was revealed as a key feature of all the Aboriginal council case studies in the author’s research. This affects the delivery of every aspect of council service delivery, from programs for delivery of essential services such as roads, water and sewerage to construction of new facilities or development of business enterprises. For example, planning by the works area of one council amounted to a whiteboard with a list of projects. In such environments, considerations of budget, staff availability and sequencing of tasks and milestones do not occur in a planned way.

Indigenous councils tend to be funded for many programs for which council staff simply do not have the project management skills to deliver effectively. In practice, project management for most significant projects in Indigenous councils is outsourced to consulting firms. For example, councils typically do not manage projects for construction of new community facilities and infrastructure. This approach is expensive and does not assist in building the capacity within the council for project management. For other projects managed within councils, poorly qualified local staff “muddle through” without the benefit of basic project management methods, leading to poor outcomes from many projects.

3.5 Human resource management systems and practices

An area that has tended to receive little attention in discussions of Indigenous council capacity-building needs is human resource (HR) management. Yet the case study research on north Queensland Aboriginal councils identified the quality of HR policies and practices as a key area that differentiates a high performing council from poorly performing councils. The Deputy CEO of one the councils explained:

This is where a lot of the [Indigenous] communities are going wrong – they don’t have that focus on that HR side of things. You know, like, you look at a lot of your problems: your work ethics, your policies, your training, being haphazard if done at all. (Hope Vale Deputy CEO, 2006)

The research drew a link between good HR systems and the stability of staffing, which in turn was found to be a contributor to council performance. The high-performing council, Yarrabah, had actively instituted positive HR strategies that created an environment in which staff felt recognised, valued and supported. Examples of such measures were the provision of salary increments based on industrial awards and reward and recognition processes that included annual staff awards. Crucially, Yarrabah Council had been able to retain and ‘skill up’ local Aboriginal residents by putting in place systems that protected staff from community and family pressures and provided professional development opportunities. The development of a supportive work environment had created a level of pride that generated positive performance in a way that was self-perpetuating. A council worker

⁴ The CEO noted, half joking, that he needed 130 mentors for the Council’s 130 staff.

⁵ Another Council worker noted: “*Our blokes can do it as long as they’ve got the right people to show them what to do, you know*”.

explained that *'there is a lot of pride, because once you have an efficient administration running, you want to maintain it'* (Yarrabah Council worker, 2005).

This organisational culture stood in sharp contrast to the situation in another case study, at Hope Vale, where many skilled and qualified individuals in the community were unwilling to work for the council or take up positions of responsibility due to a high degree of politicisation and conflict within the council workforce and a generally unsupportive organisational environment. A former employee of the council commented that: *'It's a shame it wasn't more supportive, the council itself, because they've lost a lot of good workers over the years'* (Government officer, Hope Vale, 2005).

Interviews with CEOs for the current scoping study confirmed that human resource management remains an area of high need for Indigenous councils, especially in relation to policies and procedures. There is little assistance available to councils to develop HR systems or policies, which makes this area a significant gap in current capacity-building responses. It is interesting to note that the LGAQ's study of the capacity-building needs of remote councils also identified human resource management skills as a deficit area for these councils (Morton Consulting Services 2009, p.16).

3.6 Financial management

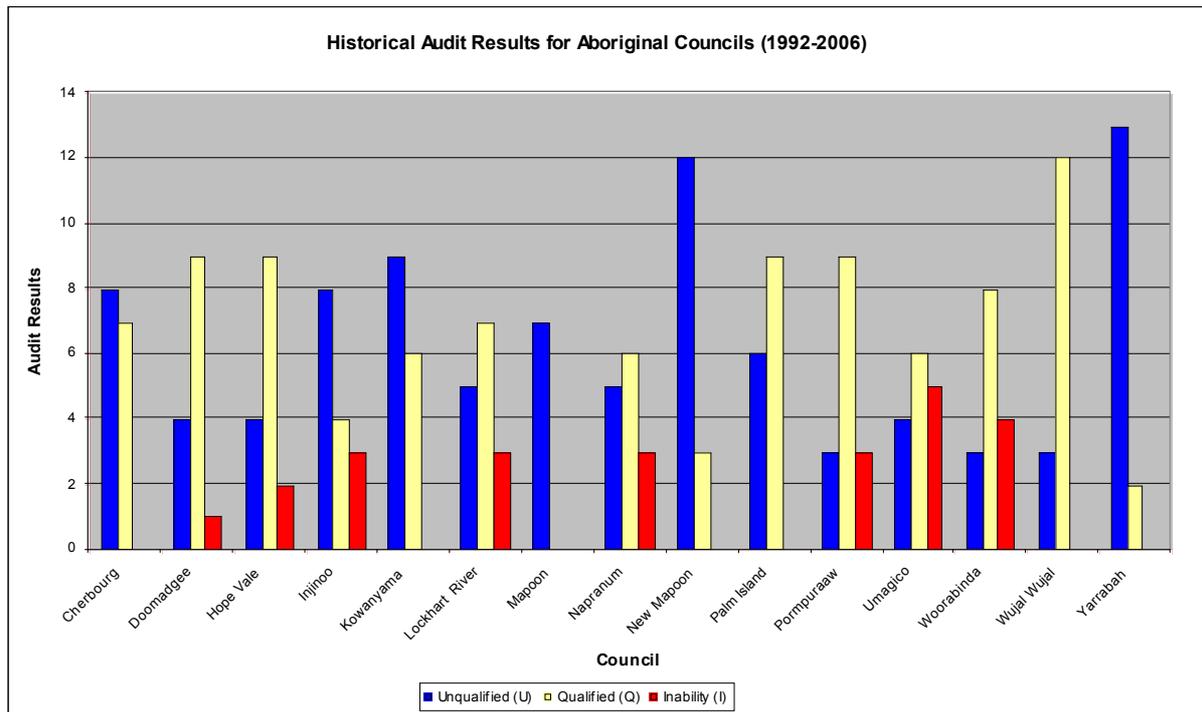
Maintaining adequate standards of financial management has been a perennial issue for Indigenous councils since their inception, evidenced by numerous parliamentary committee reports and Auditor-General comments (Auditor-General of Queensland 2007; Parliamentary Committee of Public Accounts (Qld) 1991, 1993). Because audit results are reported annually to Parliament by the Auditor-General, this is the area that has tended to attract the most Government focus and attention. For example, the Indigenous Council Task Force was established specifically to deal with the recurring problem of Indigenous councils failing to complete their annual financial statements by the statutory deadline of 15 September. The State has also increasingly used its statutory power to place financial controllers into Indigenous councils in the past five years, as a means of rectifying poor financial management.

Indigenous councils' performance in annual audits has improved little over two decades despite the level of Government intervention and investment in this area. Figure 2 provides historical data of audit outcomes for Aboriginal councils from 1992-2006 and shows that the number of qualified and disclaimed audit opinions has been high for many councils.⁶

The inability to attract and retain qualified financial officers has been a key factor in poor financial management outcomes. In his 2007 report, the Auditor-General highlighted the impact that an inability to fill key financial positions was having on the ability of councils to complete their financial statements on time (Auditor-General of Queensland 2007, p.21).

⁶ Unqualified audit opinions indicate that relevant financial management standards have been met, while a qualified opinion indicates some deficiencies in financial management and an inability to form an opinion indicates substantial financial accountability problems (sometimes referred to as a 'disclaimed' opinion).

Figure 2. Audit results for Aboriginal councils 1992-2006



It should be noted that sound financial management does not guarantee good governance and high levels of service delivery. For example, Lockhart River Aboriginal Council experienced a period of solid financial management in the late 1990s, but the consensus of those interviewed during a case study of that council was that this merely reflected the presence of a couple of competent administrators and that the council was struggling at that time to deliver services and programs need in the community:

We got unqualified audits for many years, so all the boxes were ticked and everything was right. However, outside [the office], not much happened. (Former Lockhart River accountant, 2006)

While strong financial management does not guarantee good council performance, the case study research showed it to be a necessary foundation. A hallmark of successful Aboriginal councils has been a commitment to robust financial management. The case study research identified that the quality of financial management in north Queensland Aboriginal councils is linked not just to the capability of finance staff but also to the extent of elected councillors’ scrutiny of financial matters and their commitment to strengthening internal controls. The meeting minutes for the council with the best level of financial management performance, Yarrabah Council, revealed a strong focus on internal controls that was not evident at the other case study councils, Hope Vale and Lockhart River. The following quotes are illustrative:

The councillors really did push for a strong control environment (External auditor for Yarrabah, 2005)

Council thinks we can’t be trusted – they want to know where everything is all the time (Yarrabah Council worker, 2005)

When we look at each financial year, how many tools been bought and how many gone missing, we couldn’t believe the amount of stolen goods. You know, \$200,000 gone walkabout... (Lockhart River Mayor, 2006)

Two of the CEOs interviewed for the current study emphasised that increasing the capacity of elected councillors to understand financial matters was crucial to improving council performance. The

evidence highlights that financial management capacity-building activities in Indigenous councils must focus not only on staff but on elected councillors. A current CEO explained that councillors needed training in how to understand financial statements. This CEO had adopted the approach of preparing more graphs to help councillors interpret the council's financial status.

The strain on Indigenous councils' financial management capacity has escalated in recent years with the councils' transition from Indigenous-specific legislation to the mainstream local government legislation. The previous regulatory framework permitted the councils to prepare simplified specific purpose financial statements using a modified cash accounting method. The transition to the *Local Government Act 1993* that commenced in 2004 required the councils to switch to general purpose financial statements prepared on the basis of accrual accounting methods stipulated by national accounting standards. Many councils have struggled with this switch to more complicated financial management standards.

A further issue for Indigenous councils is the use of appropriate information technology systems for financial management. During the last decade, a number of councils implemented the Practical Computer Systems (PCS) software for managing council finances. This system was specifically designed for small Queensland local governments and was adopted by many Indigenous and non-Indigenous councils. PCS was recently taken over by Civica, however, and there is an expectation that the PCS software will be phased out in favour of a more expensive system that may be more sophisticated than needed for small remote councils. The LGAQ study also noted this concern and commented that there was a need for "independent advice about suitable systems for smaller councils to better assess IT options" (Morton Consulting Services 2009, p.20).

3.7 Asset management

An area of need for Indigenous councils that has emerged in recent years is capacity to undertake asset management. This issue is related to the requirement for Indigenous councils to adopt mainstream accounting methods as they are now required to account for depreciation of assets such as buildings, facilities and essential service infrastructure.

The Task Force identified asset management as one of the five most pressing issues confronting Indigenous councils. It noted that when accrual accounting was introduced for mainstream local governments in the 1990s, it took them many years to finalise asset registers, conduct asset valuations and fully understand the principles of asset management. Some councils still struggle with this. Consequently, the Task Force noted that: "It comes as no surprise then to learn that asset management and the financial treatment of assets is now a major issue for indigenous councils having just come under the ambit of relevant asset accounting policies" (2009, p.10). The Task Force found that although "most councils have done quite a good job finalising their asset registers and undertaking asset revaluations", asset management planning is "at an embryonic stage at best" and "[f]unding depreciation is a major issue" (2009, p.11).

The issue of depreciation of assets has very significant implications for Indigenous councils' capacity to maintain adequate services to their communities in the future. In recognition of Indigenous councils' limited financial resources, the requisite infrastructure for roads, water, sewerage and community facilities has traditionally been provided by the State Government under special infrastructure programs. The State has funded regular Total Management Plans for all Indigenous communities to assess infrastructure needs and assist to prioritise funding. The reality for Indigenous councils, however, is that they often do not have the technical skills to properly operate and maintain the infrastructure and they do not budget for regular asset maintenance. Government funding programs for new facilities such as swimming pools provide only for capital costs and councils are expected to meet the ongoing maintenance requirements. The Task Force was blunt in its assessment:

Put simply, unless this issue is resolved then assets will fail in the future impacting on local communities and probably requiring significant capital funding from the State government to resolve the problem. The net impact of this issue is that there is a higher cost to replace assets after failure than if a scheduled maintenance and replacement program is put in place (2009, p.11).

All of the CEOs interviewed for the current scoping study confirmed the significance of the problem of asset management. One CEO pointed out that the community's water and sewerage infrastructure was 20 years old, had been poorly maintained and was likely to fail in the near future. He noted that the State Government expects councils to fund the full depreciation of assets, but expressed the view that "that will never ever happen" given councils' lack of own source revenue.

3.8 Compliance burden

Council capacity is an issue that has both a supply side and a demand side. The difficulties that Aboriginal councils face in building capacity are exacerbated by the increasing demands placed on councils by other levels of government to comply with regulatory requirements. Many observers of Indigenous councils in Australia point out that the question of capacity is a relative problem, with the most significant issue being the fact that the administrative burden placed on councils by governments is excessive and out of proportion to the councils' human capacity (Ivory 2005, p.7; Moran 2008, p.194; Sullivan 1996, p.93). In his research into the Kowanyama Aboriginal Council in Queensland, Moran (2008) sought to visually illustrate this issue by stacking the council's meeting folders in annual piles, with the resulting pattern resembling a set of stairs as the number of reports and correspondence for the councils' attention grew steadily each year. As the Administration Manager at Hope Vale Council lamented during the case study research in 2006: "*There's far too much red tape. The community is just bombarded. It seems to me we have to justify our existence on this planet.*"

In the LGAQ's capacity-building scoping study, the burden on councils to comply with a complex array of legislative requirements featured strongly in consultations with small rural councils (Morton Consulting Services 2009, p.25). The Indigenous Council Task Force identified that this is also a growing problem for Indigenous councils:

All councils have an increasing level of compliance ranging from workplace health and safety to environmental protection to access to information. Councils are struggling to keep up with this level of compliance and there are costs associated with this as well (e.g. asset valuations). As an example, some councils do not have in place the required registers etc (e.g. register delegations) (2009, p.9).

A plan developed by the Lockhart River Council spelt out the magnitude of the compliance problem for an Indigenous council:

Funding to Lockhart River comes from multiple sources, which is neither coordinated nor streamlined. Lockhart River is currently funded by 21 different Australian and State government departments and has to administer a minimum of 58 separate grants. In Aboriginal Communities, under resourced, under skilled and untrained people are expected to be accountable for the allocation of funding from numerous sources, each having countless accountabilities, complex accounting practices and reporting requirements.

It has been observed that some of these funding streams actually have conflicting outcomes. The management of the funding sources is unrealistic to undertake, impossible to sustain and a drain on the meagre resources of the community involved. Arguably, it may take a number of trained external experts to successfully complete the tasks. The focus on controlling inputs and processes, limits the flexibility of the Lockhart River Aboriginal Council and the community to actually act on some of their most important priorities.

Presently the few people who are able to do this work within the community are overwhelmed with the task and while doing their best, are at risk of becoming counterproductive as reporting and complex accounting drains any value gained by such funding. (Lockhart River Aboriginal Shire Council 2004, pp.14-15)

While the increasing administrative burden on Indigenous councils highlights the need for building their capacity to respond, it also underscores that the need is as much for demand reduction as capacity-building. The need for the State Government to reduce expectations and requirements on small rural local governments was one of the central themes emerging from the LGAQ study (Morton Consulting Services 2009, p.23).

3.9 Engagement with government

Indigenous councils' external engagement with State and federal governments is one of the most crucial aspects of their business, due to their almost complete reliance on government for funding and resources. The Indigenous Community Governance Project, which conducted case studies in several locations around remote Australia, emphasised the considerable constraints to Indigenous governance that result from the prevailing "governance environment" (Hunt and Smith 2006, pp.39-48).

The Queensland Aboriginal council case studies included an evaluation of the quality of the councils' engagement with Government and other institutions outside the community. The data confirmed the oft-cited dysfunctional aspects of the relationship between councils and government. The councils struggle on a daily basis with the problems of poorly integrated and short cycle funding arrangements, complex and overlapping reporting and acquittal requirements, inflexible program guidelines, uncoordinated programs and services delivered by government agencies operating within silos, high turnover of bureaucrats lacking cultural sensitivity or understanding, and disingenuous consultation exercises which produce no return for councils' effort. The debilitating effects of this environment on the councils' capacity for good governance cannot be overstated. The rigid scaffolding of policies, programs and administrative arrangements erected by governments over the past two decades under the supposed rubric of 'self-determination' can form an impenetrable cage around the councils' aspirations for autonomy.

In these difficult circumstances, the Aboriginal council case studies revealed that a key factor in successful council performance was the degree to which the council had the inclination and had built the capacity to strategically engage with Government (Limerick and Yeatman 2008). The approach was exemplified by the most successful council of the three case studies, Yarrabah Council. The case study observed that Yarrabah's leaders have pursued strategic engagement with government as the panacea for the bureaucratic constraints on autonomy. The council's engagement has been both strategic and pragmatic in that it seeks to work within the system and draw government into partnerships that are on the council's terms and contribute towards achieving the council's plans and priorities, a process that the Yarrabah CEO describes as "playing the game." Most importantly, the council's leaders had made the psychological shift from a relationship of dependency to a commitment to take responsibility for the outcomes of the engagement. This finding resonates strongly with the central tenet of the widely-cited Harvard Project on American Indian Economic Development, which is that successful indigenous governance is contingent on the genuine exercise of self-rule (Cornell and Kalt 2002). The finding also corroborates the growing literature on the significance of 'networked governance' (Considine and Giguere 2008).

While successful Indigenous councils such as Yarrabah exemplify the benefits of a strategic approach to dealing with government, the reality is that many Aboriginal councils struggle in their ability to engage effectively. A legacy of the troubled history of relations between Governments and Indigenous communities throughout the twentieth century is that many Indigenous leaders adopt an adversarial posture in the dealings with Government. As a council officer observed, this is often counter-productive:

[The councillors] have an idea that they can just tell government to go away, but what they don't realise is if they do that... the government doesn't lose, they do. (Hope Vale Council officer, 2006)

Other less adversarial councils who are keen to engage, nevertheless experience difficulties in communicating with representatives from other levels of government. A former employee of the Lockhart River Council explained:

Lockhart Council is quite willing to engage, but I just think the Government needs to come a bit their way. They're just talking at different levels. I mean, you go out there and there's half a dozen PhDs sitting on this side of the table and one Diploma on [the other] side.⁷

⁷ The point about the PhDs might seem like an exaggeration, but in fact the Lockhart River Council newsletter, *Waanta*, reported on 25 November 2005 that: "On 9 November, Noel Pearson and [Dr] Subho Banerjee from

The capacity-building need for councillors and Indigenous council staff is to develop the skills for effective engagement. Experience has shown that innovative approaches are required to build capacity in this area. In recognition of the cultural, educational and language divide between councillors and government representatives, in 2005 and 2006 a community development facilitator and the CEO at Lockhart River adopted the strategy of translating and interpreting for the councillors during meetings with government. The former CEO explained the typical interactions in such a meeting:

They're now more self-confident in their ability. One of the things that we just keep [telling the councillors] is 'don't accept what the [government] people say'. Because that's what happens. A whole room of public servants come in and they go 'blah, blah, blah'. They talk at this level, [but the councillors are] interpreting down here, no one's actually speaking the same language and the public servants go away saying 'oh well, they agree with it'. We've now actually taught [the councillors] to say: 'well, no, hang on, we don't understand' or they'll turn to either [the facilitator] or I and say 'what are they talking about?' And we're acting as interpreters between government and council.

An important strategy in building the capacity of council leaders to engage is to role play and rehearse interactions prior to meetings with government. As part of the mentoring process, the CEO and the facilitator discuss the strategic aspects of the meeting and pose questions such as “*who are you meeting with, what do you think they'd want, what are they interested in, what are you interested in... how would you do that, do you need to get angry, do you need to give them facts and figures?*”

For Indigenous councils to be effective, intensive work with councillors and senior staff is required to build their capacity and skills for effective engagement and negotiation. The evidence suggests that an investment in this type of capacity can reap significant rewards in terms of the performance of Indigenous councils.

3.10 Community engagement

Studies have shown that in Australian local governments, including Indigenous councils, levels of community engagement and participation are generally low (Marshall and Sproats 2000, p.502; Pini and McKenzie 2006, p.28). In his detailed study of participation in governance and decision-making at Kowanyama, Moran (2006, pp.259-280) found that while leaders were committed to greater participation, in practice, apart from at elections, participation in the council's decision-making processes was minimal. Moran put this down to the high administrative burden: “Council was too busy dealing with the administration of Indigenous affairs to facilitate participation” (2006, p.396).

The north Queensland Aboriginal council case studies confirmed that levels of community engagement were weak in Aboriginal councils, measured in terms of the perceptions of constituents about the adequacy of engagement, an analysis of the councils' actual practices, and an assessment of the extent to which constituents were aware of the councils' activities and plans (Limerick 2009, ch.8).

There's so much emphasis being placed on capacity building between Governments and leaders of council, but not so much emphasis between the community and the leaders. I mean, we talk about community engagement, it's good at the macro level but at the micro level it's not happening. (Yarrabah council officer)

Council's always been a behind-the-door, secret society sort of thing. I think once it becomes more, where people can see what's happening behind those closed doors, and they become more friendly with the community, I think they'll probably get more accepted. (former Lockhart River councillor)

The case studies supported the notion that the extent to which community engagement will enhance council performance depends on the particular activity or issue in question (Bishop and Davis 2002, p.19). It seems that community engagement is most important for those activities where success is

CYI, and Dr Ken Henry, Dr David Tune, Dr Bob Gregory from a high level of government in Canberra came and met with councillors. Talked about flexible grant conditions and pooled funding with agreed outcomes.”

contingent on either the input of information from a range of interests, the motivation and commitment of the community, or coordination with community-based agencies.

Some observers point out that community engagement for Indigenous councils will always be a fraught activity because of the high degree of factionalism and competition between families and interest groups in Indigenous communities. It is possible that many Indigenous council leaders are well aware of good practices in community engagement, but choose not to engage because of the difficult environment.

Nevertheless, the Aboriginal council case studies revealed that many leaders were uncertain about the best means to engage the community. Indigenous councils' engagement strategies have tended to revolve around public meetings, which is an approach that often exacerbates conflict and factionalism, leading to poor community engagement outcomes. Councils require assistance in developing more sophisticated engagement methodologies. Such assistance should be available both to councillors and council staff.

4. Evaluation of previous capacity-building responses

4.1 Prior to 2004

While Indigenous councils were assuming responsibility for local government and community administration in the late 1980s and early 1990s, officers from the Department of Community Services' Transitional Functions Unit were posted within councils to assist with building council capacity. This assistance has been widely acknowledged to have been inadequate for the very high level of needs of Indigenous councils during this time (Holden 1994, p.208).

From 1994, the Queensland Government's strategy for assisting Indigenous councils centred around its Financial Accountability Improvement Program, which provided funding of \$1-2 million per year for a range of financial capacity-building activities. The Program assisted high need councils to recruit financial management personnel, funded internal audit services and engaged accounting firms to deliver training to councils. A centrepiece of this strategy was the employment of Community Services Officers located in regional centres, each providing hands-on assistance to a small number of Indigenous councils. The success of this strategy hinged on the skills and endeavour of the individual officers and the quality of the relationship with the council. Many of these officers had an accounting background and provided financial assistance. Some provided assistance related to compliance with legislative requirements, such as maintaining adequate council minutes. The support provided by these officers, while useful, was inadequate to meet councils' broader capacity-building needs. CSOs were required to service a number of council at once and were employed at a project officer level – they were not senior officers with significant professional skills, and were therefore limited in their capacity to provide strategic management assistance to councils, undertake systems improvement and transfer skills to staff.

Other strategies to assist Indigenous councils were in response to particular issues. For example, as a result of a rise in complaints and allegations of conflicts of interest and official misconduct in Indigenous councils, in 2002 the Crime and Misconduct Commission (CMC) launched a package of plain English fact sheets and materials covering key governance and ethical issues, called '*On the Right Track*'. The materials covered the following issues: good governance, openness and transparency, good decision-making, conflicts of interest, using council property, personal and confidential information, official misconduct, codes of conduct, disciplinary processes and risk management. This kit is a valuable resource and has been complemented by ethics training sessions with councils delivered by CMC Indigenous liaison officers, but the impact of the project has never been formally evaluated.

4.2 Community Governance Improvement Strategy

In 2004, Indigenous councils finally received a comprehensive package of funding designed to address their capacity-building needs. The Community Governance Improvement Strategy (CGIS) was a response to the Cape York Justice Study's findings that poor governance was contributing to the high level of dysfunction in remote Indigenous communities. The Queensland Government resolved to overhaul the system of Indigenous councils, which led to the repeal of the old Aboriginal council legislation and the transition to mainstream local government arrangements. To complement the introduction of the new legislation with its more onerous requirements based on the *Local Government Act 1993*, the Queensland Government allocated funding of \$16.6 million over four years for the CGIS.

The stated goal of the CGIS was to '*help councils achieve sustainable good governance to enable effective service delivery*' (Department of Local Government Planning Sport & Recreation 2004, p.6). To achieve this goal, the following five key objectives and associated strategies were identified:

Objective 1: Community and councillors will have an understanding of good governance and will sustain a professional workforce to deliver good governance.

Elemental Strategy: Skills Development for councillors, staff and community members

Objective 2: Councils will improve business systems and procedures to support good governance.

Elemental Strategy: Business systems improvement

Objective 3: Councils will achieve improved financial and administrative performance.

Elemental Strategy: Resource management – revenue and costs

Elemental Strategy: Performance and accountability

Objective 4: Councils will plan for and manage the full resource impact of undertaking non-municipal services.

Elemental Strategy: Service delivery models for non-core council functions

Objective 5: Councils will increase their engagement with communities, industry peak bodies and other councils.

Elemental Strategy: Stakeholder engagement

A flagship element of the CGIS was a significant new investment in training for the councillors elected in 2004, focusing on the first two years of their local government term. The Councillor Training Program (CTP) was based on a tailored accredited training package delivered by several training providers engaged by the Department of Local Government, Planning, Sport and Recreation. Most training was delivered on-site at the council’s chambers. The budget for the program was over \$700,000 per year.

Figure 3. Number of Days of Training and Number of Persons Trained under the CGIS from July 2004 to November 2006

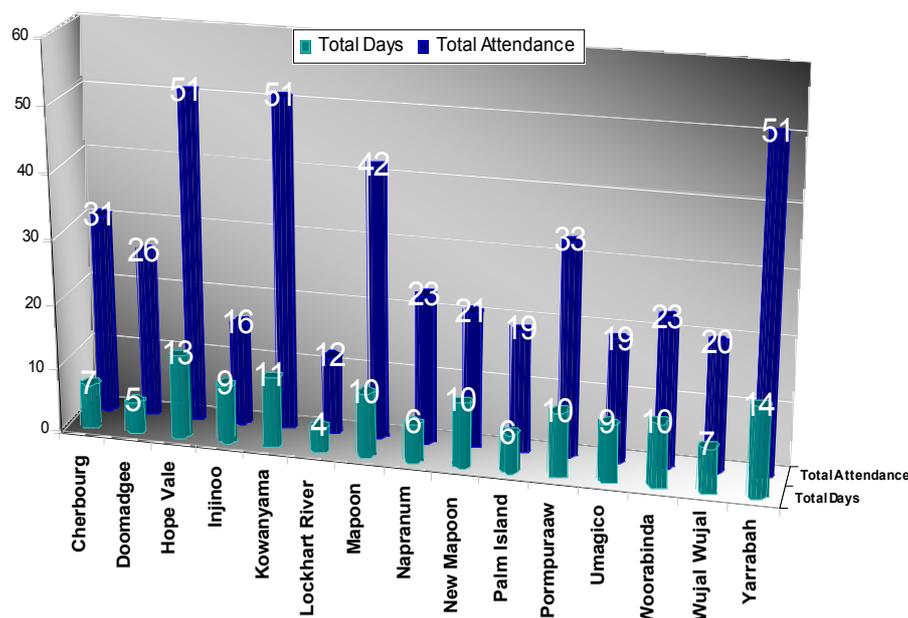


Figure 3 sets out the training delivered to the fifteen Aboriginal councils during the first two years of the program. The data indicates that the take up and attendance at the training varied between communities. A notable feature is that the councils that were the most receptive to the training were mostly those that were generally already considered to be good performers. A number of the struggling councils, such as Lockhart River and Doomadgee, had very poor levels of engagement in the training. This evidence has important implications for consideration of future training exercises with Indigenous councils. The reasons for the differences in councils’ level of engagement in the

training were partly explained by an evaluation of the CGIS conducted by the author in the three case study communities in 2005 and 2006. The evaluation suggested that the training was more effective with councils that already had a higher level of capacity. At Yarrabah, for instance, the training had served to consolidate some of the council's existing good governance practices, such as the separation of powers and a broad 'whole of community' orientation to decision-making. The following feedback is illustrative:

When they first got in, in the few months, [the councillors] were trying to interfere with that [operational] stuff, but then when they understood the separation of powers after they done a bit of their training, they know that's not their business. (Yarrabah council officer)

[I]t's good that we have these council trainings you know, and they sort of put us back on track, start thinking about it, that we're here for everyone not just for certain tribal or family groups...

I think after a while, most of our council here, once we go through those councillor training packages, I've not known any councillor to say 'well, stuff it, I'm not going to listen to that'. Most of them said 'oh dear, I realise now that we're here for the whole community so I'm going to do my best for everyone, you know.' [That attitude's] been there for a long time, it's [the training's] reinforced, it's strengthened that attitude. I mean, new councillors come on with the idea that they're going to change things and get more support for certain family members, but like I say, after the training, it really gives them that understanding. (Yarrabah councillor)

A review of council minutes over 5 years in three Indigenous councils revealed a much greater likelihood of councillors declaring their conflicts of interest in the 2 years that the training had been delivered, so it would seem that councillors' level of awareness of these issues had increased.

The experience of the delivery of the training at Lockhart River, however, illustrated that formal councillor training sessions might not be an appropriate approach for all councils. The case study revealed a strong view at Lockhart River that the councillor training package is not appropriate to the levels of education and the learning styles of the councillors.

But, you see, that Community Governance Improvement Strategy training of the councillors is a load of crap. Like, they did the decision-making one. You know what that consisted of? A template, where they had the decision that they were going to make, [plus an] alternative one, and they had to weight it with a cross. They actually had to have a calculator to work out how they're going to do their decision. Now, that is not the Indigenous decision-making process. But the guy who delivered it, the guy from local government, he was given the manual [and told] this is what you must deliver. (Lockhart River council officer)

The trouble with it is that you say 'I want a training course', they send a guy in who does chalk and talk, flies out, does no interviewing or consulting with the group before they fly in, they don't understand the entry level of the people who are in the course, they just deliver the course and get their five grand and they're gone. And it's never worked – it's never worked in the past and it's continuing not to work now. The only way that it can work is on that mentoring, one on one, because most of the people have a numeracy and literacy problem. (Lockhart River council officer)

The feedback about the CGIS at Lockhart River was that a mentoring and coaching approach was far more likely to be effective than formal training. As a council plan indicated:

Traditional training has had little sustainable impact for Lockhart River people. We want more mentoring, coaching and shadowing IN our community, with teachers working alongside of us, in real jobs with real responsibility. Many of us don't relate well to paper and written tasks, as English is a second language, and we prefer action, practical and experiential approaches to learning. (Lockhart River Aboriginal Shire Council 2004)

As mentioned earlier, the coaching approach had been used successfully at Lockhart River with the employment of a mentor to assist two staff to set up a new stores inventory system. The other strategy

that was being employed successfully in Lockhart River was assisting both councillors and staff to broaden their knowledge through experiential learning. The community development facilitator had taken councillors to other communities on 'look and learn' visits to observe successful approaches elsewhere. These visits had been to other Indigenous communities, but it was suggested that they could be broadened to mainstream communities: *'Even if they come and have a sit in the council chambers in Cairns and see how it's done. Have some sort of exchange program I guess'* (former Lockhart River CEO).

In addition to the Councillor Training Program, other key strategies under the CGIS included:

- funding to improve councils' business systems with a focus on issues identified by external audits (e.g. upgrades to financial management software and consultancies to introduce stock inventory and control for enterprises);
- assistance to implement policies and procedures, especially mandatory policies and procedures required under legislation;
- funding to improve financial and administrative performance, such as grants to engage short-term professional financial assistance, develop corporate plans, review organisational structures or develop revenue strategies;
- assistance to explore options for councils to divest non-municipal services; and
- marketing and communication assistance to councils through an Indigenous media company, intended to improve councils' community engagement.

The CGIS was reviewed by the Department in 2006 following an agency restructure and the Auditor-General's urgings for the Department to take a more interventionist approach. Consultations with Indigenous councils led to the identification of the following issues:

- the continuing lack of suitably qualified and trained local staff in communities;
- the difficulty experienced by councils in managing their workload which comprises more than the usual range of local government functions;
- desire for a more hands-on approach by Departmental officers, with longer stays in communities and more tailoring of support to specific local circumstances;
- need for more collaborative and coordinated support for councils and communities within and between governments; and
- lack of awareness in communities about the role and responsibilities of councils.

A revised strategy was developed, placing a greater focus on interventions or 'case management' for the councils that were assessed as needing assistance. The revised strategy also prioritised a more hands-on role of Departmental staff in coaching and mentoring for councillors and council staff. This approach had echoes of the original Community Services Officer initiative of the late 1990s, but it was hoped that the higher designation of the Department's CGIS officers (known as 'Management Consultants') would permit greater skills transfer and capacity development. As discussed in Part 4.6 below, the more interventionist approach during the later years of the CGIS led to the appointment of more financial controllers to councils.

At the conclusion of the four-year CGIS in 2008, the level of funding for the strategy reduced. As the Department's resources for delivering the Councillor Training Program became constrained, a new approach was developed based on training offered in regional centres for a number of councils together and for only a limited number of people from each council. A CEO interviewed for this report indicated that this approach was far less useful than the original CTP where a trainer visited each council and delivered training for all the councillors, linked to their actual real-world issues and circumstances. For example, under the original CTP, financial management training was able to consider the council's own budget figures.

The overall success of the CGIS from 2004 to 2008 is difficult to gauge because there has not been a summative evaluation and there is still little reliable performance data about Indigenous councils. The

performance of Indigenous councils in annual audits has remained variable, with a third of Aboriginal Shire Councils in 2008-09 receiving a disclaimed or qualified audit opinion on the basis of deficiencies in financial management (Auditor-General of Queensland 2010, p.7).

4.3 Indigenous Councils Skills Bank

In 2007, the Department of Local Government, Planning, Sport and Recreation proposed an innovative new model for responding to the capacity-building needs of Indigenous councils. In recognition that current approaches tended towards a provider-recipient relationship between the Department and councils, it was proposed that a new model be developed to institute a partnership between the Department and Indigenous council staff to plan and deliver capacity-building initiatives. The author was engaged to undertake the scoping and development of a business model for the proposed Skills Bank, which resulted in a proposal to establish the organisation as a company limited by shares with joint shareholding by the Queensland Government and Indigenous councils. From 2007, the Department was planning to allocate a potential \$2 million per year from the CGIS to invest in supporting the Skills Bank Company. Changes in Government priorities from 2008 and a dilution of the funds available for establishing the Skills Bank ultimately resulted in the proposal stalling. However, because of the substantial scoping work and consultation with Indigenous councils that underpinned the proposal, the Skills Bank model is worth considering in the context of the current study of council capacity-building needs.

The overarching goal of the Skills Bank was to build the human capacity of Indigenous councils. The core need that was identified was the difficulty for Indigenous councils in attracting staff to key management and professional positions who have the requisite skills and expertise and who will contribute positively in building the capacity of the organisation. Accordingly, the core function of the Skills Bank was to maintain a pool of skilled staff available for on-hiring to Indigenous councils in order to undertake skills transfer to local staff and develop the systems and capacity of the host councils. Initially, it was expected that the Skills Bank would have a pool of about 10 staff comprising senior managers, financial officers and planners.

In addition to the core function of on-hiring skilled staff, it was intended that the Skills Bank might, over time, develop the capacity to perform the following additional functions:

- Deliver targeted, tailored training to address the specific needs of Indigenous councils;
- Run or participate in programs to develop local staff of Indigenous communities, such as cadetship programs, graduate traineeships, mentoring programs and work experience opportunities;
- Provide project management services to councils for non-infrastructure council projects;
- Project manage Government initiatives for Indigenous council capacity-building, such as those under the Community Governance Improvement Strategy;
- Facilitate peer networking and professional support for senior staff of Indigenous councils to overcome their isolation and enhance their professional development;
- Develop a system of accreditation for senior staff of Indigenous councils;
- Assist councils with recruitment and selection processes, including through executive search services, candidate screening services, provision of recruitment and selection training for council staff;
- Work to improve the human resource (HR) management systems and practices of councils through developing toolkits and resources, model policies and procedural manuals and HR training;
- Provide off-site office accommodation and facilities for Indigenous councils to place staff in a regional centre such as Cairns;

- Providing intensive assistance and early intervention services for councils facing impending financial or governance crises, as well as providing candidates for administrators and financial controllers appointed under statutory interventions.

The Skills Bank was to operate on a fee for service basis aimed at cost recovery. However, it was acknowledged that it would require ongoing Government subsidy of up to \$2 million per year to be sustainable. It was proposed that the Skills Bank office would be located in Cairns, to be most accessible to the majority of Indigenous councils.

Following consultations in late 2007 with Indigenous councils and peak bodies such as the Local Government Managers Australia (LGMA), the preferred model developed for the Skills Bank was a Company comprising two shares, one owned by the State and one by held by the LGMA (Queensland) on behalf of Indigenous council staff. An independent board would comprise 3 directors appointed by the State, 3 directors appointed by Indigenous council staff through the LGMA and an independent chair.

The Skills Bank concept received considerable support from Indigenous councils, due to its potential to provide hands-on practical support for council capacity-building through a pool of highly skilled and professional staff. One of the perceived advantages of the model was the ability to attract experienced professionals from the mainstream local government sector and other professions who might not otherwise be attracted to working directly for an Indigenous council.

4.4 Indigenous Council Task Force

From July to August 2009, the Queensland Government engaged 3 teams of 3 local government professionals to visit all 16 Indigenous councils to assist them to meet the 15 September statutory deadline for completion of financial statements, and to provide other governance and financial assistance. Most of the members of the Task Force had more than 20 years of experience at senior levels of local government. The Task Force teams “spent time in local communities assessing problems, providing advice to CEOs and finance managers, talking to mayors and councillors and providing practical solutions wherever possible. The Task Force was also able to source specialist finance expertise and additional resources for indigenous councils where required” (Indigenous Council Task Force 2009, p.3). As well as assisting with financial statements, Task Force members took the opportunity to review the council’s basic governance arrangements and provided copies of policies, procedures and templates to enable councils to meet relevant statutory requirements.

The outcome of the Task Force’s work is that 14 of the 16 Indigenous councils met the statutory deadline for financial statements of 15 September 2009, which was a vast improvement on previous years (only 2 of 16 met the deadline in 2007/08) and the first time that Indigenous councils had been more likely to meet this deadline than mainstream councils (Indigenous Council Task Force 2009, p.5). While this short and intensive approach obviously cannot fundamentally improve council governance or financial management, the Task Force believes it has achieved greater success in increasing compliance than previous strategies employed by the Department. It suggests two reasons that underpin this success. Firstly, the Task Force highlights the significant level of resourcing by the Department to provide the Task Force’s assistance to councils along with funding to ‘buy in’ short-term accounting services where required at particular councils. Secondly, the Task Force emphasises the importance of the level of “‘in the field’ engagement”:

Having experienced local government professionals in the field meeting councils on site was well received by indigenous councils due to the professional credibility of task force members. This engagement approach enabled honest and open communication with the focus on practical solutions rather than simply identifying problems. It also ensured that solutions were practical and based on the local context and resource capability. This has also enabled capacity building in those councils based on the experience of task force members. The task force members also followed up with the indigenous councils on regular basis and provided a mentoring type approach to many of those councils (2009, p.6).

The Task Force reported that councils had given feedback “that it was refreshing to discuss local government issues with experienced local government practitioners” (2009, p.6). Members were also

“able to provide real-life solutions of how to deal with problems currently facing indigenous council CEOs.” As will be discussed in Part 5.1, to build on the foundations provided by the Task Force’s initial work with Indigenous councils, the Department of Infrastructure and Planning has continued to support Task Force members to visit Council to provide advice, training and business coaching over the past year.

4.5 The bureau approach to financial management

Since 1991, the Auditor-General has periodically urged the Queensland Government and Indigenous councils to address council financial management capacity issues through a strategy of managing finances through a centralised ‘accounting bureau’ model (Auditor-General of Queensland 2006, p.10). Having a council’s finance staff located off-site in a regional centre such as Cairns overcomes the difficulty of attracting qualified finance staff to remote councils. Most Indigenous councils have resisted this approach, however, probably out of a concern not to dilute local self-management and perhaps because Indigenous community members prefer a personalised relationship with their professional staff.

Nevertheless, in recent years an increasing number of Indigenous councils have yielded to the commercial reality and the technological opportunities that make it more efficient to locate their finance officers (and sometimes other administrative staff) in Cairns. The Task Force noted that “there are currently eight such offices established in Cairns and early indications are that this has led to stability within the finance management of those councils” (2009, p.10). The Task Force also noted that this arrangement has improved purchasing practices for those councils (2009, p.9). The Torres Strait Island Regional Council has recently decided to move all its corporate services to Cairns within four years. It has been noted in the past, however, that retaining a qualified accountant in Cairns does not completely solve councils’ financial management capacity issues because it still relies on “the skill and ability of other administrative staff to process the original transactional data at source” (Auditor-General of Queensland 2005, p.38).

One advantage of this approach is that it permits greater collaboration and peer support between finance officers working for Indigenous councils. Senior Departmental officers have expressed the view that the councils that have established Cairns-based offices are not optimising the opportunities for resource sharing. The Task Force (2009, p.17) recommended a Cairns-based finance officers network, which is being facilitated by the Department. It was also noted that these Cairns offices provide the opportunity for additional shared services functions for councils (2009, p.22). One of the possible functions discussed for the Skills Bank concept was providing Cairns office facilities for some Indigenous council staff to be located off-site.

4.6 Financial controllers

Under the *Local Government (Community Government Areas) Act 2004* (s.22), the Minister could appoint a financial controller to an Indigenous council on specified grounds relating to poor financial management. Under the new *Local Government Act 2009* (s.118), this can be done by the Department’s director-general. The financial controller has the power to veto all expenditure by the council to ensure that it is not outside the council’s budget and will not make the council insolvent. In practice, the role of the financial controller is also to assist the council to develop and implement a plan to recover the council’s financial position.

The appointment of financial controllers has been increasingly used by the Queensland Government in the last five years to respond to the financial management difficulties of Indigenous councils. While this is an interventionist approach, the Department tries to secure the consent of the council before appointing a financial controller and the intent is for these positions to play a capacity-building role rather than a strictly compliance role. The Indigenous Council Task Force (2009, p.4) noted that in some councils, the financial controllers had assisted the councils to improve their governance and internal controls and to finalise their financial statements.

In theory, financial controllers present an opportunity for a formalised means of instituting a hands-on capacity-building approach that places a skilled officer within a council’s administration. However,

the Auditor-General has expressed concern that the appointment of financial controllers has not sufficiently built the skills of local staff and any improvements in financial management are not therefore sustainable. In his 2010 report to Parliament, the Auditor-General reported that at the two councils where financial controllers were in place, “there has not been a significant short-term benefit generated” and “minimal improvement was observed in the quality of the financial management of these councils during the current audits” (Auditor-General of Queensland 2010, p.27).

5. Current capacity-building responses

5.1 Department of Infrastructure and Planning's current responses

With the transition to the mainstream local government legislation complete in 2009, Indigenous councils are no longer supported through a separate branch within the State's local government agency (the Department of Infrastructure and Planning). Instead, they are supported through an area responsible for working with both small rural councils and Indigenous councils.

Discussions with senior staff of the Department in April 2010 revealed that the Department has revised its approach to capacity-building for Indigenous councils following the experiences of the CGIS, the Councillor Training Program and the 2009 Task Force. The staff indicated that they do not believe that the Councillor Training Program was a cost effective capacity-building strategy. For a pool in the vicinity of 200 councillors, the training cost roughly \$700,000 per year and many of the councillors trained were not re-elected at the 2008 council elections. The Department's current training focus is on "*short, sharp*" training sessions of 4 hours aimed at issues such as understanding financial statements, because "*three days in a room doesn't work*". The Department does not believe that the conventional approach of designing a training package and then engaging a Registered Training Organisation to deliver it is as successful as an approach based on coaching and mentoring by local government professionals.

The Department has recently formulated its *2010 Capability Program Plan for Local Government*, with 8 key strategies. These strategies include:

- Establish a Cairns-based finance officers network;
- Establish a document library for councils;
- Deliver a program of financial management and reporting training for councils;
- Work with Indigenous councils to establish asset management systems;
- Review corporate documents and systems within Indigenous and small mainstream councils and establish performance reporting processes;
- Establish a schedule of visits to all Indigenous and small councils in the first quarter of 2010 (continued engagement);
- Develop a mentoring program for councils; and
- Work with QAO to improve financial audit process

(Auditor-General of Queensland 2010, p.21)

The Department has further indicated that members of the Task Force will continue to work with high risk councils to introduce new governance and financial systems to improve operations. Staff of the Department indicated that they are optimistic about the strategy of using experienced local government professionals to build Indigenous council capacity. They believe that an important learning from the Task Force's success in 2009 is that "*it's as much about who delivers the message, as how it is delivered.*" A key factor is that these individuals do not work for the Department, which makes it easier for them to engage with the council from a supportive rather than regulatory or compliance standpoint. The Department's current approach is to "*match the person to the problem*", by identifying particular individuals from the local government sector who might have the skills and background to assist in coaching or mentoring a council about a particular issue. For example, the former long-term Mayor of Mt Isa City Council was asked to assist Mornington Shire Council with governance issues. Accountants with particular expertise are matched to particular councils. Some individuals have been engaged in a "*business coach*" role. The Department's staff acknowledge that the challenges in this approach are that Indigenous communities can be "*fiercely protective*" and "*defensive*", which makes a mentoring or coaching role difficult.

A difficulty expressed by Departmental staff is that the focus of the CGIS and subsequent strategies has often been on financial management issues as a result of the political heat that this issue attracts, whereas the Department has struggled to shift the focus on to council performance management. The Department sees performance management as crucial for councils because they currently have difficulty addressing staff performance issues. A natural inclination to be non-confrontational means that councils avoid problems in the performance of senior staff until the situation reaches a crisis. The Department sees a need for greater use of performance contracts and performance reviews.

The Department has also launched an Asset Management Advancement Program 2009-10 to address the priority issue of improving asset management in all local governments, both mainstream and Indigenous. The Program provides materials to assist councils to develop and implement asset management plans for council assets.

5.2 Local Government Managers Association Queensland (LGMA)

The LGMA has made increasing efforts to engage with senior staff of Indigenous councils in recent years. The Association has limited resources but has been keen to provide whatever support it can, including a network of Indigenous council staff. A practical strategy in recent years has been to convene Indigenous council CEO forums to enable networking and sharing of information. A CEO interviewed for the study indicated that between 6 to 8 CEOs had attended previous forums, which were useful for debriefing about common issues and sharing best practices. The cost of such meetings is high, however, and it has proven difficult to hold them regularly. Remote non-Indigenous councils have found networking groups to be successful for peer support, such as the CEOs Out West (COWs) network.

During a meeting at the LGMA office in April 2010, the CEO indicated support for the Department's current direction of utilising experienced local government professionals to assist with Indigenous council capacity-building. The LGMA was prepared to assist in playing a brokering role by using its network of managers to find suitable people for particular roles.

5.3 Local Government Association of Queensland (LGAQ)

Indigenous councils historically had their own peak bodies, the Aboriginal Coordinating Council (ACC) and the Island Coordinating Council (ICC). Consequently, their level of engagement in the LGAQ has been low. When the ACC was disbanded in 2003, the councils established their own Aboriginal Local Government Association of Queensland, but this organisation was not sustained. Some Indigenous councils retain membership of the LGAQ and the Association has an Indigenous Reference Group.

The LGAQ training unit was one of the key providers contracted to deliver the CTP to Indigenous councils. It continues to offer training to some councils, such as the Torres Strait Island Regional Council, on a fee for service basis. The LGAQ's accredited local government training is also available to Indigenous council staff, although the level of involvement from these councils is low.

Discussions with LGAQ representatives in April 2010 revealed that the LGAQ's current key priorities in relation to Indigenous councils concern asset management and the question of sustainable funding to Indigenous councils. The LGAQ is exploring models of pooled funding for Indigenous councils and methods for assessing the true cost to councils of funding infrastructure asset depreciation. The LGAQ is also keen to facilitate more coaching and mentoring opportunities in Indigenous councils using experienced mainstream local government councillors or managers.

6. Future strategies

Future directions in capacity-building for Indigenous councils in Queensland must be cognisant of the priority issues identified by Indigenous councils as well as the evidence about what has worked and what has not worked in the past. The consultations with councils and the research that has been conducted in recent years provide a much better basis for formulating an evidence-based approach to Indigenous council capacity-building than has been possible in the past.

It is also worth reflecting on some of the strategies and concepts that have been proposed in the past but for various reasons never reached fruition, whether for lack of resources, absence of political will or other factors. Some of these ideas, canvassed in this report, remain worthy of consideration today.

The perennial difficulty for those involved in building the capacity of Indigenous councils is the difficulty maintaining adequate resourcing and political interest to sustain efforts in this area. The exercise of capacity-building is necessarily a long-term endeavour, which puts it beyond the short attention span of the political cycle. The history of Queensland initiatives reported in Part 4 reveals a pattern where actions have been precipitated by a peak in interest in Indigenous councils as a result of issues reaching crisis point or high profile reports such as Justice Tony Fitzgerald's Cape York Justice Study. The effort is typically maintained for a period of a year, or perhaps three to four years at the most, and then fades from the spotlight when it is considered that results are too difficult to achieve or attention moves to another issue. Meanwhile, some Indigenous councils have achieved sustained progress where they have taken advantage of opportunities that have arisen and managed to maintain momentum in their efforts to nurture local capacity for council performance over a long period of time. The efforts of these councils demonstrate that real progress is possible and current capacity deficits are not insurmountable if a long-term approach is implemented.

The five-year window for ACELG's planning provides the opportunity to develop a capacity-building strategy for rural, remote and Indigenous councils that is based on evidence about needs and successful approaches and institutes long-term approaches that will create sustainable improvement. While ACELG is not resourced to deliver a comprehensive program of activities across remote and rural Australia, there is an opportunity for a broad-brush ACELG national capacity-building strategy to establish a simple and clearly articulated agenda that provides the framework for all stakeholders' efforts in capacity-building for remote, rural and Indigenous councils. By doing this, ACELG can assist to build a consensus for delivering capacity-building activities over the extended period that is necessary for success.

Furthermore, through a nationwide framework strategy, ACELG can facilitate partnerships that transcend State or Territory jurisdictions, leading to better synergies and efficiencies in the delivery of programs. While Australia is a large and diverse continent, the reality is that a strategy for capacity building in rural, remote and Indigenous councils has an effective target population of a couple of hundred local governments. The logistics may appear difficult, but there are benefits from pooling resources and expertise in delivery of activities across jurisdictions. For example, in relation to Indigenous councils, despite the differences in legislative environments between Queensland, Western Australia and the Northern Territory, there are many capacity-building activities that could be delivered across these three jurisdictions.

With a view to contributing to an ACELG-inspired national framework strategy for rural, remote and Indigenous council capacity-building, this Part recommends focus areas for further consideration regarding Indigenous councils in Queensland. These areas are derived from the evidence discussed earlier about firstly, the priority needs and secondly, the responses that have proven successful or unsuccessful in the past. At the end of the discussion of each area, a cross-reference is made to relevant items in the action plan developed from the LGAQ's 2009 scoping study of capacity-building needs of non-amalgamated councils. A summary of the suggested future directions is provided at the end of this Part.

6.1 Governance training

The ongoing need for governance training for the elected members of Indigenous councils has been repeatedly raised in consultations, reports and research in recent years. Part 3.1 of this report outlined the evidence about the significance of governance practices for Indigenous council performance. The link has been clearly established by the author's own case studies of Aboriginal councils and the Indigenous Council Task Force's recent observations about the factors impacting on councils' success. Three leading CEOs interviewed for this report confirmed that governance training remains a critical need.

The evidence indicates that the priority areas to be covered by governance training for elected leaders are the following:

- Formulating a strategic vision and effectively using strategic planning processes;
- Maintaining an appropriate separation of powers and responsibilities between elected members and staff of councils, including processes for managing the performance of the CEO;
- Managing conflicts of interest and ethical dilemmas arising from the close-knit kinship networks of Indigenous communities and the cultural predisposition for decision-makers to place family obligations before the 'whole of community' interest;
- Effective use of policies to guide impartial decision-making and assist staff in their administration of council programs and services;
- Better community engagement processes;
- Financial literacy, with a focus on practical skills such as understanding financial statements and linking budgets to strategic and operational plans; and
- Understanding the requirements of the new Queensland local government legislation, including the need for long term financial and asset management planning, and other legislative compliance issues.

In Queensland, as in other jurisdictions, there have been various training programs rolled out for elected members of Indigenous councils over the past two decades. The review of the Queensland experience in Part 4 contains some valuable lessons. Crucially, a 'one size fits all' approach to training is not appropriate, as the level of training readiness varies widely between councils. For some councils, councillor training has proven very effective, but for others, an approach based more on coaching and mentoring is considered more appropriate (see Part 6.3 below).

Where a council is open to more formal governance training, feedback about the Queensland Government's Councillor Training Program suggests that it will be much more effective where the training is delivered specifically for each council and is able to take account of the council's particular issues and circumstances. The need for councillor training to consider preferred Indigenous learning styles is also important, which may emphasise greater use of visual aids and discarding the assumption that Indigenous councillors necessarily share Western ways of thinking about governance (Kowal 2005).

An issue that has been frequently raised in discussions about Indigenous councils is the need to offer more pre-election training for candidates for councils. Given the high turnover in Indigenous councils, there are a high proportion of councillors commencing each term with little understanding of what is expected of the role of councillor. A CEO noted that candidates often get elected on the basis of promises about allocation of jobs or resources to constituents, which they later discover they cannot keep, or on the basis of promises to change policies or laws which they do not realise are outside the jurisdiction of local government (for example, alcohol management plans). However, the effectiveness of pre-election training is open to question. As one CEO observed, most of the candidates who attended the pre-election training before the last council election were not successful. In his experience, Indigenous council elections are decided on the basis of family numbers and factional alliances in the community, and the candidates successful on these grounds are not the community-minded individuals who are likely to attend voluntary pre-election training.

In addition to Queensland's Councillor Training Program training package, there are several other training programs designed for leaders of Indigenous councils and non-Government organisations (NGOs). A well-established program is the Office of the Registrar of Indigenous Corporations' (ORIC) *Managing Two Worlds* board governance training. This training has been undertaken by members of both Indigenous councils and boards of Indigenous NGOs in Queensland remote Indigenous communities. An important aspect of this training is that it focuses on the very significant cultural issues that confront Indigenous people in leadership roles. The ANZSOG executive leadership training being developed by ACELG is unlikely to be pitched at the right level to meet the training needs of most Indigenous council elected members.

Any training packages developed for Indigenous councils (and other remote councils) will need to be cognisant of the important differences in the way these councils operate from a large urban council. For example, issues such as the separation of powers will have a different practical meaning in an Indigenous and remote context than in a large urban council.

An Indigenous council CEO emphasised that councillors from this community are generally receptive to training and development opportunities. He noted that many councillors serve only one term and are keen to gain something out of the experience by the time they finish their term in office.

In summary, it is suggested that governance training for councillors be developed and implemented on the following basis:

- target the priority topic areas listed above;
- recognise that not all councillors will be 'training ready' and other capacity-building approaches may be more appropriate for some councils;
- wherever possible, delivered on-site and incorporate the ability for councillors to work on their own real-world issues;
- adapted to Indigenous learning styles;
- delivered by experienced local government professionals, with consideration of establishing an ongoing coaching and mentoring role with the council following the training.

There are several ways in which ACELG might contribute directly or indirectly to strategies for governance training for Indigenous (and other rural and remote) councils. There may be a role for ACELG in reviewing available training packages for their suitability for Indigenous councils. ACELG might also be able to assist with setting standards for elected member training programs for Indigenous councils or contributing to the development of training packages that are available across jurisdictions. As part of its advocacy role, ACELG could lobby relevant authorities for additional resources or a greater focus on governance training for Indigenous councils.

Related elements of LGAQ's capacity-building action plan for non-amalgamated councils:

3. Introduce requirement for newly elected members to attend relevant seminars/ training in first year of office.

6.2 Staff training

Given the continuing reliance by many Indigenous councils on local community members who have limited education or experience to fill key roles in the council, staff training is a critical area of need. The review of capacity-building needs in Part 2 of this report indicates that the key focus areas for training of Indigenous council staff are the following:

- financial management knowledge and skills – an issue that has become especially important in Queensland as Indigenous councils have transitioned to more onerous mainstream standards for accounting in recent years;
- human resource management – an often neglected area, but one which was strongly linked to effective council performance in the case studies of north Queensland Aboriginal councils;

- operational planning and project management – an area where Indigenous council staff have often struggled and is clearly linked to the performance of every council program or service;
- the ability to engage with Government – another area identified by the case study research as a key factor in successful Aboriginal council performance;
- community engagement methodologies – an area where Indigenous councils, like many other local governments, have struggled over many years.

There are few training programs that have been specifically developed for Indigenous council staff. In Queensland, a small number of staff were offered places in the Council Employee Accredited Training (CEAT) funded under the CGIS. Another course that is commonly undertaken by staff is the Curtin University Bachelor of Applied Science (Indigenous Community Management and Development), which is able to be undertaken externally. Mainstream local government training such as that offered by the LGAQ is also open to Indigenous council staff, but the level of take up is understood to have been low to date.

Training packages for local government staff in remote communities need to acknowledge that these staff are required to perform much broader, less specialised roles than staff in larger councils. Qualifications for senior staff need to incorporate basic ‘para-professional’ competencies across areas such as finance, town planning and environmental health.

ACELG could contribute to the development of staff training strategies for Indigenous councils by highlighting the empirical evidence about the most important areas of training need and collaborating with available partners to design and develop specific training programs to meet these needs. The new ANZSOG executive leadership program being developed by ACELG might be a suitable opportunity for some leading Indigenous council senior managers. Given the cost of the training, scholarship assistance would probably be required for Indigenous council staff to participate. The ACELG initiative to develop a national Graduate Certificate in Local Government Leadership program for middle managers may also link in to meeting this priority. Consideration of the specific needs of Indigenous council staff should be built into the development of this program.

6.3 Coaching and mentoring

There has been a much greater emphasis on coaching and mentoring strategies for Indigenous council capacity-building in recent years, as the effectiveness of conventional training has increasingly been questioned. As discussed in Part 5.1, the Queensland Government’s current strategies for Indigenous councils are centred on providing hands-on assistance to councils in the form of experienced mainstream local government professionals. This approach is consistent with the evidence from the review of the CGIS that coaching and mentoring is often the only suitable approach for assisting councils that have high needs and are not amenable to conventional training.

Three CEOs interviewed for the current study confirmed that advice and assistance from experienced professionals is a very effective approach for meeting councils’ particular needs. It ensures that the assistance is directly relevant to the practical issues confronting the council and because it is delivered by an individual with practical experience and in a supportive rather than a regulatory role, it has a high degree of credibility.

This one-on-one coaching and troubleshooting approach has often occurred opportunistically in the past, but there is an opportunity to develop the approach through a more formal and programmatic approach. ACELG could play a role in exploring program models or precedents for such approaches from elsewhere and lobbying for Australia local government agencies to implement these models here. Models that have been suggested include a register of local government professionals who are recently retired, operating independently as management consultants or interested in staff exchanges and who may be available to take on placements at Indigenous councils or assist with specific projects. The proposed Queensland Indigenous Council Skills Bank represents a further model whereby a standalone company supplies professional staff to councils under a labour hire arrangement at a rate subsidised by Government and with a focus on skills transfer, systems development and general

capacity-building. The Queensland Department of Infrastructure and Planning's mentoring strategy extends to matching mainstream Mayors with Mayors from Indigenous councils.

In addition to researching and exploring models for a programmed approach to coaching and mentoring, ACELG could investigate the support and training needs of those individuals who are asked to take on a coaching or mentoring role. This might involve the provision of cross-cultural awareness training of professionals from the mainstream who have not worked in Indigenous councils or mentoring training to better equip them to perform the role.

Related elements of LGAQ's capacity-building action plan for non-amalgamated councils:

8. Establish a 'Resource Bank' which includes information on relieving personnel, opportunities for exchanges and mentoring or access to/sharing of skills along with templates/sample documents for key compliance requirements.

6.4 Workforce development

To address the challenge of attracting and retaining suitable council staff, strategies to promote careers in remote councils have frequently been raised. As part of ACELG's proposed national workforce development strategy, a focus on the specific issues related to staffing of Indigenous councils needs to be incorporated.

A specific strategy for workforce development in Indigenous councils is providing greater opportunities for Indigenous council staff to gain experience outside their community working in other organisations. The author's case studies of Aboriginal councils identified that the most effective locally-derived Indigenous council staff were invariably those who had gained experience outside their home community (Limerick 2009, ch.10). These staff gain not only relevant work experience and skills but just as importantly, a broader perspective on their own council and community and a greater capacity to effectively engage with individuals and organisations outside their community. A priority in capacity-building for Indigenous councils is to develop strategies and opportunities for staff exchanges and increased mobility of Indigenous council staff. ACELG could play a role in exploring strategies and models in this regard.

The capability of the CEO position is crucial to the performance of Indigenous councils. Unfortunately, too many councils end up with substandard CEOs as a result of the difficulty attracting skilled and experienced staff to remote communities. A goal of the Skills Bank concept was to attract more highly qualified staff to work in the Indigenous council sector and innovative strategies like this require further consideration. Other strategies that should be considered in relation to CEO positions are:

- strategies to assist Indigenous councils to recruit CEOs and key management staff;
- assistance to councils to better manage the performance of CEOs;
- capturing and providing ready access to information about the prior performance (including instances of fraud) by CEOs in remote communities to substandard CEOs do not circulate around these communities;
- development of some form of accreditation of CEOs working in remote communities against a predefined standard (such as the Aboriginal Financial Officers' Association of Canada's 'Certified Aboriginal Financial Manager' qualification).

Related elements of LGAQ's capacity-building action plan for non-amalgamated councils:

1. Priority to be given to elements of Local Government Skills Plan which focus on para professional responses to skill issues (eg Building Surveying Technician, Environmental Health Technician, Para-Planners) and associated legislative issues.

2. Lobby Federal Government to expand the HECS Reimbursement Scheme to cover other rural professions which are difficult to attract to remote locations (eg engineers, planners, EHOs).

10. State capital works subsidies should include staff housing for remote rural communities.

6.5 Peer support and networking

The challenges inherent in senior roles in Indigenous councils were discussed in Part 3.2 in relation to the difficulties of attracting and retaining skilled staff. Indigenous council CEOs frequently point to the isolation involved in their jobs, both professionally and geographically. The need for greater opportunities for peer support and networking has frequently been discussed by Indigenous council CEOs in Queensland. The occasional Indigenous council CEO forums convened by the LGMA are one response to this need. CEOs interviewed for the current study commented positively on the value of these gatherings, which involve guest speakers about relevant issues and sharing of information about best practice approaches. Special sessions at LGMA conferences are another avenue for this networking to occur. A possible role for ACELG is to work with partners such as LGMA to facilitate more of these types of Indigenous council staff networking sessions, with the potential to broaden these networks across jurisdictional boundaries.

ACELG's proposed community of practice website would also be an excellent tool for peer support and networking for Indigenous council senior staff. All three CEOs contacted for this study could see the potential benefits of being involved in such a network. The cost and time involved in coming together for face to face forums makes online networking an attractive option. An advantage of these forums is that once established, if people find them useful they become largely self-sustaining and self-moderated.

Another option involving the combination of face to face and web-based networking is the use of technology to hold online forums on particular topics. Such events, sometimes referred to as 'webinars', have been used effectively by organisations such as Outback Business Networks (a part of Desert Knowledge Australia) to build information-sharing and peer support networks across remote Australia. ACELG could consider the scope for organising a program of these types of events to deliver information and training on key issues to remote councils.

Related elements of LGAQ's capacity-building action plan for non-amalgamated councils:

9. A 'Bush Councils' Forum to be included in the agenda of future LGAQ Annual Conferences.
11. LGAQ, District Associations and ROCs to promote and trial greater use of technology (eg video-conferencing) for some regional meetings to reduce travel requirements.

6.6 Reform to reduce compliance burden

The most significant issues of concern raised in the LGAQ's report on the capacity building needs of non-amalgamated councils were related to the high burden on rural councils imposed by other levels of government to deliver additional services and meet legislative requirements (Morton Consulting Services 2009, p.24). This concern is shared by Indigenous councils and the 'compliance burden' is a massive constraint to their ability to deliver good services to their communities.

A key area for ACELG's advocacy role is to convince local government regulators in various jurisdictions to reduce the level of burden on Indigenous (and other rural and remote) councils. This involves making legislators more aware of the impact of new laws or regulations on small councils and the need to provide resources to assist these councils where additional regulation is unavoidable.

For Indigenous councils, reforms to the funding arrangements are vital to reduce the suffocating burden of reporting separately to multiple funding agencies for a myriad of small specific purpose grants. Administrative reforms that pool funding and streamline reporting requirements are urgently needed to free up Indigenous council capacity to focus on the delivery of better programs and services. ACELG's advocacy needs to include a strong focus on this challenge. To underpin ACELG's advocacy for change in this area, the Centre could undertake research into the scope of the compliance requirements on small councils, the extent to which councils have the capacity to meet these requirements and whether the requirements actually contribute to better outcomes or not. Flowing from this analysis, ACELG could develop a model setting out the appropriate scope and mechanisms for regulation and reporting that are optimal for small councils.

Related elements of LGAQ’s capacity-building action plan for non-amalgamated councils:

6. Government departments, agencies and statutory authorities should be required to prepare and publish Rural Community Impact Statements prior to implementing significant changes to existing Government services in rural and regional areas and in legislative reviews.
7. Increased emphasis to be placed on LGAQ Policy Position that legislation affecting Local Government in Queensland should be framed recognising the variety of capacity, size, resources, skills and physical location of Local Governments. The ‘one size fits all model’ is not appropriate.

6.7 Structural reform and collaborative arrangements

The unique challenges confronting Indigenous councils require consideration of innovative new approaches to structural reform of the sector. Queensland Indigenous councils are fiercely resistant to any suggestion of amalgamation with mainstream councils and the reality of Indigenous councils’ status as trustees of communal title to Indigenous land make this option highly problematic. Other structural reform solutions need to be considered, however, to ensure that Indigenous councils remain financially and operationally viable. New options such as sharing key positions, including CEOs, and best practice regional collaboration processes need further consideration. The Indigenous Council Task Force (2009, p.10) reported that several councils identified sharing of staff as a potential initiative, including payroll functions and Environmental Health Officers. The Task Force further noted that the sharing of CEOs is now possible under the new *Local Government Act 2009*.

The LGAQ capacity-building study pointed to the success of Regional Road Groups in overcoming individual rural councils’ capacity deficits, and suggested expanding this approach to other issues. Models such as this need to be considered for Indigenous councils. ACELG could play a role in leading research and thinking on innovative models for structural reform to ensure the future viability of Indigenous councils.

Related elements of LGAQ’s capacity-building action plan for non-amalgamated councils:

4. Consider broadening the focus of Regional Road Groups to cover other aspects of regional collaboration and cooperation.
5. Provide funding support to enable employment of regional co-ordinators to progress joint regional initiatives.

6.8 Sharing of best practice resources

There is a range of practical strategies for assisting Indigenous councils that revolve around ways to enhance the sharing of best practice resources. A practical response to Indigenous councils’ lack of developed policies and procedures, including mandatory policies or plans required by legislation, is to develop a ‘clearinghouse’ or ‘resource bank’ of precedents, model policies and templates. In Queensland, this idea has been discussed in a number of contexts in recent years, including in the scoping study for the Skills Bank, in LGMA discussions and in the Indigenous Council Task Force’s report. The Department of Infrastructure and Planning has indicated that it will be establishing a “document library for councils”, but the scope of this is currently unknown.

There is a substantial breadth of resources already available to Indigenous councils in Queensland. The Department often provides template policies or plans for mandatory legislative requirements to assist smaller rural councils with less capacity to develop such documents in-house. The LGAQ has a wide range of resources available on its LG Online network. Under the CGIS, in 2005 the Queensland Government launched a CD ROM for Indigenous councils, known as SOLID (Sound Organisational Leadership Information Disc), which contained basic template policies for various issues and templates for a range of standard office documents such as mail registers, meeting minutes, fax cover sheets and local government specific documents. This is a valuable tool for councils but does not seem to have effectively used by councils to date.

ACELG could play a role in a strategy for greater sharing of information resources across councils by facilitating development of a clearinghouse for policies, templates and precedents suitable for use by

rural, remote and Indigenous councils. Such a clearinghouse might take the form of a website interface linking to existing resources provided by other organisations, such as the Department of Infrastructure and Planning’s document library and the LGAQ’s resources.

An alternative to a clearinghouse for sharing best practice resources is through facilitating an online forum for council CEOs or staff to exchange information and resources about current needs. For example, under ACELG’s Program 2 (Innovation and Best Practice), the Centre has been exploring a community of practice website for local government practitioners using social networking technology. Such a network would provide an opportunity for individuals to post a request for a template or precedent for a particular purpose or to share their experiences about dealing with specific issues of mutual interest. Three Indigenous council CEOs interviewed for the current report could see the benefit in such a tool.

One of the difficulties in seeking to identify and share best practices is that systems for performance measurement of Indigenous councils are weak and undeveloped. Without reliable performance data, benchmarking relies on anecdotal assessments of performance. ACELG can assist in this area by researching suitable performance measurement frameworks for Indigenous councils.

Related elements of LGAQ’s capacity-building action plan for non-amalgamated councils:

8. Establish a ‘Resource Bank’ which includes information on relieving personnel, opportunities for exchanges and mentoring or access to/sharing of skills along with templates/sample documents for key compliance requirements.

6.9 Financial and asset management

In Part 3 of this report, it was highlighted that financial management capacity remains a fundamental capacity need for Indigenous councils in Queensland, which has intensified in recent years with their transition to mainstream accounting standards. An emerging related priority issue is asset management, particularly the need to fund the depreciation of council infrastructure.

Further work is required to identify specific strategies to assist Indigenous councils to meet the ongoing challenge of improving financial and asset management. The need for more training for elected members to improve their financial literacy was discussed earlier. A council CEO interviewed for this report highlighted that staff required some general awareness sessions around financial management issues. The CEO explained that while the council had ‘bought in’ accounting expertise to meet the new legislative requirements raised by the Department, the fact that the other staff could not understand what the Department was talking about was an obstacle to introducing required changes in the council’s systems.

Asset management planning is a new concept to many Indigenous councils, yet the Queensland Government is increasingly requiring plans to be developed to comply with legislation and other regulations. ACELG could assist in addressing this emerging issue by identifying resources and training that could assist Indigenous councils to build their understanding and awareness about asset management planning. This priority will clearly link with ACELG’s Organisation Capacity Building Program, with its focus on infrastructure asset management and financial planning.

6.10 Systems for financial management, information technology and human resource management

The effectiveness of Indigenous councils, and other small rural and remote councils, can be enhanced by the implementation of organisational systems for financial management, information technology and human resource management that are appropriate in scale and functionality. Councils require assistance to choose suitable systems and there is often a case for development of a specific system to meet the needs of small councils. A current challenge in Queensland rural, remote and Indigenous councils is the possible phasing out of support for the Practical software for local government financial management. ACELG could assist in devising strategies to assist rural, remote and Indigenous councils in introducing and maintaining appropriate systems.

Related elements of LGAQ’s capacity-building action plan for non-amalgamated councils:

11. LGAQ, District Associations and ROCs to promote and trial greater use of technology (eg video-conferencing) for some regional meetings to reduce travel requirements.

6.11 Summary of suggested elements of a national strategy

From the preceding discussion, it is possible to identify a range of actions that should be considered in formulating a national strategy for capacity-building in Indigenous councils. While these are derived from this scoping study into Queensland Indigenous councils, many of them are relevant to small rural and remote councils. The following table summarises the key strategy areas and associated actions suggested throughout this Part.

Strategy area	Suggested actions for consideration in ACELG national strategy
1. Governance training	<ul style="list-style-type: none"> • Review existing councillor training packages to determine their suitability for the needs of Indigenous councillors • Develop a national governance training package for Indigenous councillors or develop national standards for training packages for Indigenous councillors • Advocate for greater resources for governance training and coaching for Indigenous councillors
2. Staff training	<ul style="list-style-type: none"> • Advocate for, or develop, Indigenous council staff training programs that incorporate: <ul style="list-style-type: none"> ○ financial management knowledge and skills ○ human resource management ○ operational planning and project management ○ capacity to engage with government ○ community engagement • Consider Indigenous council staff needs in the new Graduate Certificate in Local Government Leadership program • Create scholarship opportunities for leading Indigenous council managers to attend the ANZSOG local government executive leadership program
3. Coaching and mentoring	<ul style="list-style-type: none"> • Conduct research into program models or precedents for facilitating coaching and mentoring opportunities for remote councils (e.g. registers of available local government professionals, staff exchanges etc) • Identify and respond to the support and training needs of individuals who perform coaching and mentoring roles (e.g. cross-cultural awareness training)
4. Workforce development	<ul style="list-style-type: none"> • Develop strategies or models to increase the mobility of Indigenous council staff, such as staff exchanges or cadetships • Advocate for implementation of models such as the Skills Bank concept for attracting professionals who can provide skills transfer and capacity-building to Indigenous councils (and potentially other rural-remote councils) • Develop strategies to assist Indigenous councils to effectively recruit, and manage the performance of, CEOs and senior staff • Develop a model for national accreditation of CEOs/senior managers working in remote local governments
5. Peer support and networking	<ul style="list-style-type: none"> • Work with partners such as LGMA to facilitate more Indigenous (and rural-remote) council face-to-face networking opportunities • Develop a ‘community of practice’ online networking tool for remote area CEOs

	<p>to network, share information and provide peer support</p> <ul style="list-style-type: none"> • Hold online training and discussion forums on topics relevant to Indigenous and rural-remote local governments
6. Reform to reduce compliance burden	<ul style="list-style-type: none"> • Undertake research into the compliance requirements for small councils, the extent to which councils have the capacity to meet them and whether the requirements actually contribute to better outcomes • Develop a model setting out the appropriate scope and mechanisms for regulation and reporting that are optimal for small councils • Advocate for government legislative and policy reforms to institute more appropriate compliance regimes for small councils
7. Structural reform and collaborative arrangements	<ul style="list-style-type: none"> • Conduct research into, and distribute information about, best practice models for regional collaboration and resource-sharing between remote councils, and other structural reform options
8. Sharing of best practice resources	<ul style="list-style-type: none"> • Develop a national clearinghouse for policies, templates, precedents, plans and other resources suitable for rural-remote and Indigenous councils • Develop an appropriate performance measurement framework for Indigenous councils
9. Financial and asset management	<ul style="list-style-type: none"> • Research best practice approaches and develop tools and resources for improving financial management and asset management in small councils
10. Systems for financial management, IT and HR	<ul style="list-style-type: none"> • Facilitate development of, and sharing of information about, business systems for finances, HR and IT that are appropriate to the needs of rural-remote and Indigenous councils

7. Conclusion

Indigenous councils in Queensland continue to have significant needs in relation to capacity-building. What is often forgotten, however, is that these councils have been in existence little more than 20 years and have made considerable progress in that time. As the focal point for delivery of community services, Indigenous councils play a pivotal role in closing the gap between their constituents' living standards and the broader non-Indigenous population. An investment in building the capacity of Indigenous councils can make a considerable difference to the future prospects and wellbeing of residents of remote Indigenous communities.

This report has highlighted the numerous initiatives to build the capacity of Queensland's Indigenous councils in the past two decades. This experience has provided a wealth of information about the approaches that are most likely to be successful. It is timely that ACELG is bringing a renewed national focus on the needs of Indigenous, rural and remote local governments. A national strategy has the potential to guide and coordinate the efforts of a diverse range of stakeholders into a sustained focus on evidence-based responses to capacity-building needs – a sustained focus on 'things that work'. It is hoped that the evidence and the suggested future directions in this report will contribute to the formulation of this new national agenda.

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